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Senate

The Senate met at 9:45 a.m. and was called to order by the Honorable TOM COBURN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Infinite spirit, we praise You for Your mighty deeds. Everything You do is right and no other god compares with You. You alone work miracles and You have let nations see Your mighty power.

Be with our Senators and their staffs. Give them the wisdom to trust You and to follow Your precepts. Make the future bright for them and their loved ones as they seek first to live for You. Give them hearts that refuse to forget those who live on life's margins: The lost, the lonely, and the least. Open their eyes to see the pain in our world. May the words they speak bring life and peace.

Only You, Lord, are our mighty rock. We place our hope in You, for You rule the Earth with justice. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TOM COBURN 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. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 1, 2005.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable TOM COBURN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. COBURN thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. FRIST. Mr. President, this morning, following leader time, we will proceed to a period of morning business for up to 60 minutes. That time is divided for the majority for the first 30 minutes and the minority in control of the second 30 minutes. At approximately 11:30 a.m. the Senate will resume consideration of the bankruptcy bill.

Yesterday, we began debate of the bankruptcy bill with several opening statements and made great progress. Today, we expect to begin the amendment process. I understand Senator DURBIN may be able to offer an amendment when we resume the bill this morning.

We will recess from 12:30 until 2:15 today for the weekly policy luncheons.

With respect to the voting schedule, it is my expectation to have votes this afternoon on bankruptcy-related amendments. Most probably we will not vote after 7 o'clock tonight, but as the schedule proceeds we will be able to make those announcements. We will have votes this afternoon.

Given the compressed workweek, I hope to make great progress on the bill this week, spending Monday, Tuesday, Wednesday, Thursday, and Friday on this bill. Hopefully we can complete it this week.

BANKRUPTCY REFORM

Mr. FRIST. Mr. President, I will address my leader comments this morning to the bill S. 256, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. This legislation was passed with bipartisan support in the Judiciary Committee on the 17th. Over the last 7 years, it has repeatedly passed this Senate and the House with bipartisan majorities. Yet we still do not have a bill as law. That is the goal in this Congress.

Both sides of the aisle recognize the current system is calling out for reform. Personal bankruptcies are skyrocketing and, at the same time, wealthy debtors are walking away from debts that they have the ability to repay. This abuse does not just hurt the creditor they owe, but it hurts all who end up paying higher fees and higher prices as a result of the system that is out of control.

It is fitting that a Senator from Tennessee is talking about this issue. As it happens, a city in my home State of Tennessee, Memphis, has come to be known as the bankruptcy capital of America. Memphis ranks No. 1 in personal bankruptcy filings if you compare Memphis to 331 metropolitan areas. The total bankruptcy filing rate in Memphis in 2004 was roughly 26 people for every 1,000 residents. That is well over three times the national average.

Bankruptcy has become so common that it has lost the stigma it had even a short generation ago. Today it is just another method for getting out of debt, a tool just to get out of debt. Some folks have even been known to plan their bankruptcy. They buy a house or they buy a car or furniture or whatever else they need and then file a bankruptcy form. They figure they can get the big ticket items upfront, and for everything else they will use cash.

It is not altogether an accident that the Memphis bankruptcy system is what one attorney calls a "well-oiled"

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



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machine. It was Memphis's very own U.S. Representative, Walter Chandler, who established a chapter of bankruptcy law with the 1938 Chandler Act. His motivation was simple. America was going through the Great Depression. Times were tough for everyone. Debtors wanted to pay back what they owed, and local businesses needed to stay afloat. Congressman Chandler reformed the system to help those in dire financial trouble go to the courts and work out, appropriately, a payment plan.

Congress has passed, and the courts have upheld, Federal bankruptcy laws for over 100 years. The Constitution gives Congress the express power to "establish uniform laws on the subject of bankruptcies throughout the United States."

And the Supreme Court has stated:

One of the primary purposes of the Bankruptcy Act is to give debtors a new opportunity in life in a clear field for future effort, unhampered by the pressure and discouragement of preexisting debt.

Unfortunately, however, we veered away from this original positive, constructive, good intent. Bankruptcy filings were low during the early part of the 20th century. They were generally tied to whatever the business cycle might have been. In the past two decades, the number of bankruptcies have skyrocketed, actually accelerating during the economic boom, speeding up during the boom of the 1980s and the 1990s. The total number of bankruptcies more than doubled during the 1980s and then doubled, once again, from 1990 to 2003.

For too many people, bankruptcy is no longer a last resort. It has become a first stop. Opportunistic debtors who have the means to repay use the law to evade personal responsibility.

Unlike in Memphis, where filers typically use chapter 13, the overwhelming number of filers nationally—over 70 percent—opt for chapter 7 so they can walk away from their debt.

Where does all this leave us? It leaves us at an historic high of over 1.6 million filings per year. Personal bankruptcies outnumber business bankruptcies by a multiple of more than 45 to 1. Among those filings, we see an increasing number which are fraudulent. In fact, the FBI estimates at least 10 percent of all filings involve fraud of some type. In most of the fraud cases that are identified, the filer in some way hides or pushes their assets over to the side. For example, a debtor would file chapter 7, claiming to have no assets of any kind, but they still drive a luxury sedan, may have a boat in the driveway, and even sport expensive jewelry and clothing.

The result is pretty clear. Every bill you pay, I pay, that the American people pay includes what is a "bankruptcy tax" that amounts to about \$400 a year for every man, woman, and child in this country—an unnecessary bankruptcy tax of \$400 for every man, woman, and child in this country.

That is what we are addressing on the floor of the Senate this week. For that bankruptcy tax, people say: How do you pay that tax? I was meeting with some Tennesseans earlier this morning. They asked: What do you mean? How do you pay that tax?

The tax is a hidden tax, but you pay it. It is in every electric bill, every phone bill, every mortgage payment you pay, every purchase of furniture, every car loan you obtain—\$400 a year. Interest rates are higher, downpayment requirements are larger, grace periods become shorter, and late-payment penalties are astronomical, all because some people are shirking their debt obligations. The people who are hurt most by all of this are the low-income earners.

Say, for example, you have a dishwasher and the dishwasher breaks. The owner would go to the neighborhood store. But because of the high rate of personal bankruptcies, they could not get credit. The store would no longer give credit. The owner, who has this broken dishwasher, cannot afford to pay for it with cash but is denied that opportunity to purchase because credit cannot be issued. The store cannot make the sale. It is those low-income earners who are disproportionately affected by a system that is out of balance.

Without credit, saving up enough money to buy a couch or to even pay for school clothes can become a real hardship. And high interest rates can make using a credit card, as we all know, risky.

Ultimately, bankruptcy abuse by wealthy debtors disproportionately harms those who can least afford it. That is why the Bankruptcy Reform Act enjoys strong bipartisan support, strong support from both sides of the aisle.

It establishes a means test that is based on a fair principle, a simple principle, and that is this, that those who have the means should repay their debts. A simple principle: Those who have the means should repay their debts.

It specifically exempts anyone who earns less than the median income in their State. It also allows every consumer to show special circumstances, if they exist, if they cannot handle a repayment plan. We know the No. 1 reason people file for bankruptcy is because of an unexpected health emergency. If you look at all these filings, that ends up being No. 1. Consequently, in the legislation that is on the floor, we allow every filer to deduct 100 percent of their medical costs.

We also know education is a big outlay for many families. Under bankruptcy reform, parents can deduct private school tuition to protect their children's educational opportunities.

The bill does much more. The bankruptcy bill strengthens protections for child support and alimony payments. It protects patient privacy and care during bankruptcy proceedings that in-

volve health care facilities. It protects consumers from deceptive credit practices that can lead to financial distress, and it protects the system that allows America to be one of the most generous countries when it comes to bankruptcy.

We all know sometimes a person simply gets in over their head or they get socked with an unexpected setback. They are overwhelmed by the bills, and for every step forward there are two or three steps back. Most people in this difficult situation want to do the right thing. It is in their heart to do the right thing. They want to pay their debtors, they want to meet their obligations, but they cannot. What they need is a fresh start.

The legislation before us is thoughtful. It is well considered. It is family centered. It closes unfair loopholes so that the system and the people it is designed to help can get that fresh start and get back on track.

I look forward to the debate today, which I know will be robust. We will be debating amendments and voting on the amendments over the course of the day—indeed, over the week. I am hopeful that by working together in a bipartisan way on a bill we know will be to the benefit of the American people, we will make huge progress today, tomorrow, and the next day, so we can soon have a bill on the floor that will receive overwhelming bipartisan support.

Mr. President, I yield the floor.

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

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

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader and the Democratic leader not be charged against morning business today.

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

BANKRUPTCY REFORM

Mr. REID. Mr. President, the bankruptcy bill which will shortly be on the floor is a very important piece of legislation. It embodies a principle I agree with: Those who have the means to repay their debts should be required to do so. I believe—I am old-fashioned—that people who borrow money should pay it back.

I supported the bill before, most recently in 2001. I hope to be able to support it again. But a lot has happened in the 4 years since the hearings were held on this bill in addition to the one hearing that was held 2 or 3 weeks ago.

There is new evidence—a lot of evidence—about who declares bankruptcy. Medical catastrophes: About half the people who file for bankruptcy file them because of medical emergencies. Also, extended military duty has caused havoc for people who are in the Guard and Reserve, in the State of Nevada especially.

Then, of course, we have the corporate bankruptcies of 2002 and 2003. We still have one of the criminal trials going on with Enron today. The chief executive officer of that company is testifying for the second day. WorldCom was another corporate bankruptcy that created a lot of attention. I believe it should change how we look at bankruptcy.

There are things that have occurred since we last took this piece of legislation up when it passed the Senate overwhelmingly, as I recall with 82 votes. Again, there have been medical emergencies, extended military duty, and corporate bankruptcies. These corporate bankruptcies have left employees without pensions.

Finally, we need to address the ongoing problem of violence. People are trying to say this is an abortion amendment. It is not an abortion amendment. It is about holding individuals who believe they are above the law accountable for their actions when they break the law in a number of instances. I invite everyone to read the amendment. For example, if people commit illegal acts in protest of a clinic that is engaged in lawful research on animals, then they need to be held accountable for their actions. They cannot simply discharge their debts through bankruptcy proceedings because they disagree with the law that they violated. The same holds true for individuals terrorizing reproductive health care clinics and doctors by engaging in violence. All we are saying is these people who commit these acts and break the law should not be able to discharge these debts in bankruptcy.

This amendment is not about abortion. It deals with a number of different scenarios where individuals who have broken the law try to discharge their debts through bankruptcy proceedings because they disagree with the law. So I hope people will look at these amendments on the merits of the amendments. People have tried to say this is an abortion amendment. It is not. I would hope people would look favorably on some of the amendments we offer dealing with corporate bankruptcies, dealing with pensions, dealing with medical catastrophes, and extended military duty.

We have the opportunity to have a good, sound, firm debate and send a bill to the House that takes into consideration the new matters that have appeared since we last passed this bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for 1 hour, with the first 30 minutes under the control of the majority leader or his designee and the second 30 minutes under the control of the Democratic leader or his designee.

The Senator from Texas is recognized.

SOCIAL SECURITY

Mrs. HUTCHISON. Mr. President, I rise this morning to talk about the great leadership our President is providing in the area of Social Security.

When Social Security was created in 1935, the average lifespan of an American was about 64, and 54 percent of the workers in our country were expected to live to collect Social Security. So the system was sound and, of course, the actuarial table was sound.

So much has changed—all for the good—in our country. In fact, today our life expectancy is 79 plus for a woman and 74 plus for a man. Yet we know that is going to get better. People are going to live even longer than that and, furthermore, they are going to be healthy. They are going to be able to collect more than they invested in their Social Security.

Our President is looking at the facts. Our President is looking at the statements from the previous administration, President Clinton, who said: There is a red flag here and we better look at Social Security if we are going to start the process of determining what is the right thing to keep Social Security stable.

But it was before that that our President started seeing this looming crisis on the horizon. Today we know from the testimony of the Chairman of the Federal Reserve, Alan Greenspan, that in 2008, the baby boomers are going to start coming into the Social Security system. In 13 years, 2018, the Government will begin for the first time to pay out more than it is collecting. That means we are going to start seeing more encroachment on the deficit. By 2042, the fact is there will be an absolute bankruptcy.

By law today, what happens when that occurs, when bankruptcy is declared, benefits will automatically be cut without any further action of Congress or the President—drastic cuts, probably 25-percent cuts. So if we are

going to keep our promise to the people in the system today, to the people in the system 10 years from now, we are going to have to take action to preserve those benefits in a fiscally responsible way. If we are going to keep the promise to people who are 20, 25, 30, 35, we are going to have to do something that is innovative and creative, something that has been tried in other countries, and it has worked, and that is to allow our young people to set aside 2 or 3 percent of their 12 percent in a personal account that they can own themselves and control with investments that would be certified investments. What would be certified is something like a 401(k) offering, something like a total market index and a total bond index or a 50/50 total market/total bond index, something very conservative and proven through all the cycles of the stock market to be much better in return than anything someone could get in Social Security.

Young people overwhelmingly favor this option because they know they will be able to build up and get bigger checks, with less government responsibility, and they will be able to pass to their children what is left over in their accounts when they die so their children will have a nest egg to grow.

This is something the President wants Congress to do, and I am going to help him because I believe it is the right thing to do for our country, for the young people coming into our system, to make sure they have something better if they choose that option.

The important thing that has been missed in much of this debate is that personal accounts are an option. If someone wants to stay in the system exactly as it is now, they have that option. But if they want to go into the new system, which would allow them to take some part of their present tax and have a little more control and absolute ownership, they have it as an option. People 55, 60 will probably not do it, but a lot of people who are 50 and certainly people below 50 are going to look at that, and we will have a huge influx into that new option that will then allow a better future and an ownership that has never been allowed before.

Our President is taking the lead. We have a duty, as Congress, Republicans and Democrats together, to sit down with the President to discuss different plans. Maybe we can take something from this plan and something from that plan. Personally, I will not support raising taxes. I don't think we need to do it if we plan ahead. I will not support raising the limit on the salaries that are now taxed. That is unnecessary if we take steps now to start a transition process that will eventually take more of the burden off Government and make the Social Security system sound. But that is my opinion.

There are others on the other side of the aisle and on our side of the aisle who may have a different view. Some may favor a part of what the President

favours. Some may not. The important thing is that we recognize our President's leadership, that he is not saying: I am going to walk away from this. He is saying: I am going to do the right thing. And he is asking Congress to sit down with him. We owe him that because he is trying to do the right thing.

Secondly, it is irresponsible for any sitting Member of the Senate or the House of Representatives not to come to the table. Certainly we have disagreements, but all of us have the same goal. The goal is to save Social Security for future generations and to do it in the least expensive, most efficient, least obtrusive way we possibly can.

I am proud of the President's leadership. I am proud to support him in saying: Yes, we are going to do what is necessary now when it is less painful and less expensive.

I will now turn the rest of our time over to the distinguished Senator from Kansas. I note that he has just returned from Iraq. I think he just returned last night. I appreciate so much his coming to the Senate floor when I am sure he has jet lag. I know he has been through a trying time because like myself and others—we have been to Iraq. We know that it is a tough trip but certainly something worth doing for every sitting Member of Congress. You do learn so much about what our troops need, what they are facing. You want to pat them on the back and let them know how much America appreciates the efforts they are making.

I appreciate Senator BROWNBACK being here this morning. I appreciate very much his willingness to come to the floor and speak.

The PRESIDING OFFICER. The Senator from Kansas.

IRAQ

Mr. BROWNBACK. Mr. President, I thank my colleague from Texas for her kind comments. I ran into a number of great troops from Texas, from Ft. Hood, TX, and individuals from Texas who are doing a fabulous job, putting their lives on the line and showing the definition of courage and honor. Those guys go right into the face of the fire, and when the fire fight comes when the bullets are flying, they are running towards the fire. It was really a beautiful modern-day story of courage under fire and of doing the right thing.

That right thing is now yielding, in the last week, multiparty elections in Egypt. Mubarak has not stood for elections in 25, 30 years. It is going to do that. With a protest now taking place, the Lebanese Government has withdrawn and is asking Syria to withdraw and to allow democracy to flourish in Lebanon. Saudi Arabia had flawed local elections, but they at least had somewhat of an election.

I met with officials in Iraq who are now discussing how to maintain a balance of power and an open society. The policies in Iraq are yielding enormous fruit—still difficult, still very fragile,

but those soldiers who have put so much on the line are really changing the world. I thank my colleague from Texas for her support in that effort. What we are seeing taking place in that region is amazing.

Our troops are in harm's way. We continue to see the number of improvised explosive devices about the same as they have in the past, although our number of wounded troops has gone down in the last 2 weeks about 40 percent, which is encouraging. That also means, apparently, that more of the attacks are directed at the Iraqis. We saw yesterday the horrific tragedy, over 100 Iraqis killed in a massive car bomb, that clearly the insurgency, much of it commanded and controlled out of other countries—and Syria has complicity of allowing some of this operation to take place—has to be pressured against that. But we have to get at that command and control structure of the insurgency and break that to be able to stop some of this incredible carnage that is taking place, people being killed in a country that just seeks to be free, seeks to be an open, fair society. It is difficult. In the early stages of democracy there will be flaws and missteps, but it is really changing the face of the region.

I met with Prime Minister Allawi. I met with the head of the Kurdish group, and Shias, Dr. Joffee. Each is talking about bringing in the Sunnis, working together, creating an open society. I am concerned about the issue of the role of Islam in the constitution. That is clearly one of the key issues being negotiated.

SUDAN

Mr. BROWNBACK. Mr. President, I want to use most of my time to show some very graphic pictures of the face of genocide that is taking place in Darfur, Sudan. I wish I didn't need to do this. I wish the international community, particularly the United Nations, was acting so that something would take place to prevent this man-made genocide. But this genocide is occurring. It occurs while we are here today. It occurs in large numbers. Eric Reeves is probably the best documenter of Smith College. He estimates between 300,000 and 400,000 Darfurians have been killed in this genocide. I have been there. A number of Members have been there. Villages are being burned out by the Arab militia called Jingawit. The African Union has not been in power to put in a sufficient number of troops or with enough authority to act to be able to stop this horror.

What I am going to show on the floor are African Union monitors' pictures taken of people who have been killed and brutalized in western Sudan. They are graphic pictures. They are pictures of people who have been brutally killed in this genocide. My hope in showing this is that people will see the face of genocide and action will occur, specifi-

cally that the United Nations will take credible action. They have not. They have not taken credible economic action, political action, and they certainly haven't taken anything in the way of credible military action to stop this from occurring.

These pictures come courtesy of Nichol Kristof of the New York Times, who wrote a February 23 article in which some of these pictures appeared titled "The Secret Genocide Archive." In it, Kristof says: "These are just four pictures in a secret archive of thousands of photos and reports that document the genocide currently underway in Darfur. The materials were gathered by African Union monitors, who are about the only people able to travel widely in that part of the Sudan." He goes on to say, "The archive also includes an extraordinary document seized from a janjaweed official that apparently outlines genocidal policies. Dated last August, the document calls for the 'execution of all directives from the president of the republic' and is directed to regional commanders and security officials. 'Change the demography of Darfur and make it void of African tribes,' the document urges." I have yet to determine if that document has been verified, but understand that the State Department is analyzing it for authenticity, and certainly the actions taking place in Darfur today reflect those words.

Finally, Mr. Kristof writes, "I'm sorry for inflicting these horrific photos on you." Mr. Kristof, with all due respect, you need not apologize. It is the world community that needs to apologize for their complete inaction and indifference to this modern genocide.

Over 6 months ago the U.S. Congress declared genocide, followed shortly thereafter with a similar declaration by former Secretary of State Colin Powell. Failure to deem this genocide by the international community, which would force action, has led to death beyond measure and the threat of famine and disease that could wipe out many more thousands. Eric Reeves of Smith College reports, "evidence strongly suggests that total mortality in the Darfur region of western Sudan now exceeds 400,000 human beings since the outbreak of sustained conflict in February 2003." The widely reported official number of deaths, recorded only since last March, is 70,000 and nearly 2 million displaced.

To give you a frame of reference, the tsunami's death toll has been placed at around 200,000. We are talking here about 400,000 deaths in a man-made catastrophe—genocide—in Sudan.

I ask my colleagues, and particularly the international community and the U.N.—and Kofi Annan in particular—how many more thousands of deaths does it take?

Nichol Kristof provided me with additional pictures of the genocide in Sudan. I have these pictures for my colleagues to see, but due to their

graphic nature, will not show all of them on television. I will describe each picture for my colleagues though, and would invite them to come and view these pictures in the cloakroom or in my office. The images tell a dark story of tragedy that continues to strike the villages of Darfur.

The first picture shows a child who had his face beaten in, presumably with a rifle butt, in a massacre in Hamada in January.

The next graphic photograph is of a man who was castrated and then shot in the head. This is a common fate of male prisoners taken captive by the janjaweed.

Skeletons litter the ground of Darfur near the sites of massacres. The next photograph is from a massacre in Adwa in December, 2004. It's difficult to determine if this individual was burned or if the corpse's condition is a result of severe decay. It does appear as though this person's last moments were spent fleeing the attack.

The next image is of a man who was one of 107 black Africans killed by Arabs in Hamada in the January massacre.

These photographs, taken by African Union officials on the ground in Darfur, were slipped to Nichol Kristof of the New York Times.

The next photograph is of a girl who was also killed in Hamada in January. The killers do not discriminate between male or female, children or adults.

Another photo is of a more fortunate victim of the attack on Hamada in January. As she displays her injured arm, I can only help but think what kind of traumatic experience she endured and what psychological after-effects she will have to deal with for her entire life.

Another young man did not make it out alive of the attack on Hamada. His blue flip-flops lay nearby.

Finally, a skeleton, from an attack in Adwa in December, still has its wrists bound in this photo. The clothes were pulled down, suggesting that the person had been sexually abused before being killed. If it was a woman, she was likely raped; if it was a man, he was likely castrated.

This is the face of genocide in the World today.

The African Union troops and monitors on the ground have seen these atrocities with their own eyes. I am proud to say that the United States has supported the African Union's peacekeeping efforts on various fronts. To date, the U.S. has contributed over \$40 million to the African Union. We have done so with hopes of securing an immediate end to the genocide and humanitarian crisis. Allowing the pictures and documents to remain buried away in a secret file will lend no immediate help to ending this crisis. However, we do believe that if these documents and photographs are made available to international actors including the United States, and other United

Nations Security Council member states, we would see immediate action that could end the crisis and foster accountability. I urge the leaders of the African Union to release these documents and photos immediately and for the Government of Sudan to allow complete unimpeded access to the region in discussion. The last public report the African Union posted on their website was dated January 31, 2005. I have heard reports of rape and pillage since that time.

The world community has watched as there have been numerous violations of last year's cease-fire agreement, including attacks aimed at killing innocent civilians and destroying villages. Unfortunately, aid groups have withdrawn from the region, and each day we run the risk of watching the current chaos spin out of control beyond imagination.

Despite numerous bills and resolutions passed in the House and the Senate and several U.N. Resolutions, the international community has failed to act efficiently and effectively to end the crisis. On July 30, 2004, United Nations Security Council passed a resolution in 1556 calling on the government of Sudan to disarm the janjaweed militia and to provide unfettered access for humanitarian relief agencies. The resolution also imposed an arms embargo on "nongovernmental entities and individuals" in Darfur. Essentially, this arms embargo only embargoed the rebels and not the janjaweed who were receiving arms from the government of Sudan.

In September, the Council passed Resolution 1564, calling on the government of Sudan to cooperate with an expanded AU force and threatened sanctions if the government failed to meet the Council's demands. We have seen no sanctions.

Despite all of these actions, the Government of Sudan has not acted to end the violence against civilians, nor have they disarmed the janjaweed, or abided by cease-fire violations, including use of air power against civilians. In addition, reports indicate that the United Nations was undermining the cease-fire through agreements they were making with the Government of Sudan, including authorizing police forces and security forces to patrol IDP areas without approval from the AU Commission. Several weeks ago with my colleague Congressman FRANK WOLF, I called on Kofi Annan to "lead or leave." In other words, he should lead the Security Council to pass a strong, meaningful resolution, or he should resign in protest at the complacency of the world.

The Commission of Inquiry began its three-month mandate on October 25, 2004. The report, which was leaked by the government of Sudan despite agreements with the U.N., has clearly been jaded by inside politics. I fear that we will continue to see lip-service without meaningful action. Somehow, the report has spawned a political debate over where to try the criminals and not

on how to effectively and immediately provide security and end the crisis. We are simply buying time for the murderers in Sudan.

The Report of the Commission of Inquiry makes clear the need for appropriate U.N. Security Council action. So it is in the best interest of all, especially the people of Darfur, to avoid protracted debate as to where the trial is taking place. The key is to stop the killing that is taking place in Sudan.

The deployment of African Union peacekeeping troops must be accelerated and expanded immediately. With only 2,000 troops currently in Darfur, and plans for 3,300 total, we must provide the appropriate technical assistance to see that the numbers needed to effectively patrol Darfur are on the ground immediately.

I believe that the United Nations should vote to immediately levy hefty and serious economic and diplomatic sanctions against the government of Sudan, the government-sponsored janjaweed, and any businesses or companies complicit through their government connections. We must insist upon an arms embargo against the Government of Sudan, travel restrictions of Sudanese government officials, and a freeze on the assets of companies controlled by the ruling party that do business abroad. Twenty months after the conflict in Darfur began, not one punitive measure has been imposed on the government of Sudan. It is time to act.

As the United States, European Union, African Union, and others begin deciding what steps are next, my colleague Senator CORZINE and I have decided to introduce a bill called the Darfur Accountability Act. This bill reiterates that the atrocities taking place in Darfur are genocide, it calls for sanctions in the UN Security Council. It also calls for accelerated assistance to the African Union force in Darfur, for the establishment of a military no-fly zone in Darfur, for an extension of the multilateral arms embargo to include the Government of Sudan, and it freezes the assets and property of criminals and denies visas and entry to them while also calling for a multilateral effort to do the same. In addition, it calls for a Special Presidential Envoy for Sudan, and states that the United States supports accountability through a competent international court of justice, and requires that the administration report to Congress on such efforts.

I encourage my colleagues to join us in moving this bill through Congress. We do not have days and weeks to spare when millions of lives are in jeopardy. We cannot grant the Government of Sudan and the janjaweed more time to execute the African tribes in Darfur. I look forward to working with Senator CORZINE and others to see passage of this bill.

I hope these pictures will serve as a reminder to my colleagues that we must act to end this genocide. Members of this body have traveled to

Rwanda and to Auschwitz to commemorate genocides of the past. We are doing no victims of genocide a favor by turning a blind eye to the atrocities in Sudan. Let these pictures and stories serve as a reminder of our responsibility to uphold dignity and human rights around the world. We need to act now.

I yield the floor.

The PRESIDING OFFICER. The assistant Democratic leader is recognized.

Mr. DURBIN. Mr. President, it is my understanding that 30 minutes is allotted to the Democratic side.

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. I will indicate that if Senator SPECTER from the Judiciary Committee comes to the floor to lay down the bankruptcy bill, I will ask unanimous consent that he be given an opportunity and that our time be preserved in morning business, even though he is given that chance to lay down the bill.

Before my colleague from Kansas leaves—I know he is off to a committee meeting—I thank the Senator for his statement. It is critically important that all of us on both sides of the aisle, Democrat and Republican, make it clear every single day about this senseless killing that is going on in the Darfur region of Sudan.

We had the gentleman who is the subject of "Hotel Rwanda" in Chicago a week ago, Paul Rusesabagina. He saved 1,200 people in Rwanda from genocide. He did not come to brag; he came to beg that we do something about Sudan. He touched my heart. I said I will come back and do everything I can, and every day I will get up and speak, if I have a chance, to remind people that we have to do something as a nation.

I thank the Senator from Kansas for his statement. It was very eloquent. Although I may not agree on every single thing he said, I certainly agree this is a matter of great urgency and immediacy. I thank him for his leadership.

BANKRUPTCY REFORM

Mr. DURBIN. Mr. President, when Senator SPECTER comes to the floor, soon he will lay down this bill, S. 256. It is about 500 pages. It is a recurring theme on the floor of the Senate. In the 9 years I have served in the Senate, I think a bankruptcy bill has been on the floor almost every year. I know this because when I first came to the Senate, to the Senate Judiciary Committee, I was the ranking Democrat on the subcommittee that wrote the bill. Senator CHUCK GRASSLEY and I came together and crafted what I thought to be a very fair and balanced bill. We were approached by people who said there are a lot of abuses in bankruptcy. There are people filing for bankruptcy who can really pay their debts. So let's try to tighten the process. Those who were irresponsible in their conduct,

those who incurred debt and turned to the bankruptcy court and tried to be absolved from their financial responsibilities should be held accountable.

Senator GRASSLEY and I agreed on that. We crafted a bill that was very balanced. The bill passed the Senate 97 to 1. Sadly, it did not go forward. The House had a different idea. After the House got its hands on it, it did not look anything like the bill we originally introduced. The bill kept disappearing, reappearing, disappearing, and reappearing, and here it is again, S. 256. Unfortunately, this version of S. 256 is a far cry from the original balanced approach. This bill is not balanced.

Who wants this bill? That is the most important question to ask about any legislation that comes to the floor. The people who want this bill are the credit card companies and major financial institutions.

Why do they want it? Here is the circumstance. Imagine, if you will, that you and your family are so deeply in debt that there is no way out. It could be because of medical bills you did not anticipate. It might be because somebody lost a job and could not find one. It could be because of a divorce or some other extraordinary situation. Maybe it is a personally owned family business that just fails.

Then you say: What am I going to do? I never dreamed I would reach this point. The law says there is a way out. It is bankruptcy. The law puts you through some pretty tough requirements if you want to file for bankruptcy. You have to go into court and really bear your soul, tell that judge and all of your creditors what you own, and they come in and say: Here is what you owe. Now how much can we collect from what you own?

It is a tough process. For many people it is a sad and embarrassing process. What we find is that many people have no choice; they have reached a point where they cannot pay the debt. There is no way they will be able to pay it off. They are being hammered by bill collectors calling their homes at all hours of the night and day, harassing their children, harassing them, trying to get some money paid on their debt, and they finally say: I cannot take it anymore. I am going to file for bankruptcy. It happens. It happens in families that never dreamed it would happen to them because of circumstances beyond their control.

What is this bankruptcy reform bill all about? The purpose of this bill is to make certain for many people that if you go into court to file for bankruptcy, the slate will not be wiped clean. You will not walk out of that bankruptcy court at the end of the day with no debt. You will end up in a circumstance where you will carry many of these debts to the grave. What kind of debts are we talking about? Credit card debt, other debts you have incurred that will stay with you for a lifetime. No matter what you do under the law, you cannot escape them.

Naturally, the credit card industry and big banks want this bill. They believe if they can hang on forever and will not be discharged in bankruptcy, they will get something back in the process. They believe this bill will discourage people from filing bankruptcy, and people will just labor under this debt they never paid off longer and longer. That is why we are considering this bill. This bill is all about creditors ending up with more money at the end of a bankruptcy.

It is interesting. We had one hearing on this 500-page bill. It has been 4 years since we had a hearing. We had one hearing. The hearing lasted 2 hours and 15 minutes on a 500-page bill. One would think the lead witness at that hearing would be someone from the credit card industry. They want it. They are pushing this bill. Or some banking institution. But when you looked at this array of people at the table before the Senate Judiciary Committee, they were nowhere to be found. They would not come in and sign a witness slip and testify in favor of the bill they created. I am going to explain why they did not. But if you looked in the back of the hearing room beyond the glare of the lights and the cameras, there they sat, row after row of lobbyists for the credit card companies and banks. They may have created this little child, sent it to the floor of the Senate, but they did not want to be associated with it when it came to answering questions. Boy, that tells me a lot. If this is such an innocent bill and such a good bill, why is it that the major credit card companies would not come and testify and explain why they wanted this bill? I think it speaks volumes.

They know what is going on. This is a bill which is going to hurt a lot of ordinary people, folks who, through no fault of their own, end up head over heels in debt and are desperate to start over. Credit card companies and banks want to make it tougher for them, and they will during the course of offering this bill.

This bill will radically alter America's bankruptcy laws, not for the better. If it becomes law, millions of hard-working Americans who have been devastated financially, through no fault of their own, are going to end up in a new sort of debtor's prison from which they may never escape.

We are not talking about people who go to the casino and get wild about their gambling and run their credit card or ATM card to the limit. We are not talking about people who go on a shopping spree for luxury cars. We are talking about ordinary people facing the ordinary demands of life who are swept away by debt they never anticipated. Sadly, this bill makes no distinction between the irresponsible who are in debt and those who have done everything humanly possible and end up in debt.

We had one hearing on this bill on February 10, 2 hours and 15 minutes. As I looked around that room, I thought

to myself: There is a reason why the credit card companies will not come forward and speak about this. The reasons are fairly obvious. The bill is not a fair bill.

I would have asked the credit card industry demanding this bill, how are you doing, how is your industry doing, making a profit? If they would have answered me honestly, here is what they would have said: In the year 2003, credit card companies in America enjoyed a \$30 billion profit, their highest profit in 15 years. It makes one wonder, does it not, why we are rushing to pass a bill so that people who end up head over heels in credit card debt cannot get out from under it, even in the bankruptcy court. These companies are not hurting. Why are we in such a hurry to give them a pass with this new expanded power to squeeze a few last dollars out of families who have been devastated financially?

You know something else, the majority of people who go to bankruptcy court go there because of medical bills. That is right, medical bills. I will talk about that in a moment.

Supporters of this bill say you are either with them or with the bad guys, the chiselers, the cheaters, the grafters, the drifters, the people they say are trying to game the system of bankruptcy by running up huge credit card debts with no intention of ever repaying.

The truth is, real life is not that black and white. There are people who abuse the bankruptcy laws. I will tell you about a couple of them in a minute. They try to skip out of debts they can afford to pay and, from my point of view, the law ought to hold them responsible, no ifs, ands, or butts.

I support a balanced bankruptcy bill, such as the one Senator GRASSLEY and I put together several years ago. This bill is not balanced. In this bill, in 500 pages, there is not one line, not one word curbing the abuse and deceptive practices of credit card companies and other lenders.

The supporters of this bill condemn people who file for bankruptcy and say they are morally deficient; they do not understand the moral responsibility of paying their debts. What about the moral responsibility of the credit card companies? They flood our mailboxes in America every year with 5 billion preapproved credit card offers, an average of \$350,000 in preapproved credit for every family in America. You know it. Go home tonight and look in your mailbox. More likely than not, there will be another solicitation for another credit card.

What about the credit card companies that continue to make high-interest loans to families even when they are obviously teetering on the edge of financial collapse? A couple weeks ago, a member of my staff told me he had taken his family on a flight and signed his son up for frequent flier miles, a pretty smart thing to do. Within a few weeks, his son received a solicitation

for a credit card. I told him he ought to be honored. It meant that Tyler, at the age of 3½ years, was obviously on the flight path for success. The credit card industry could not wait to give him a credit card at age 3½. And we joked about it, until the weekend when I told the same story back in Illinois and a fellow said: I have him beat. My 9-month-old daughter was solicited for a credit card.

Is that responsible? Is that responsible by the credit card industry? Is that moral, now that we are talking about moral values? Certainly no 9-month-old or 3½-year-old is going to end up with a credit card. What about 16-year-olds, 17-year-olds, 18-year-olds, college students? That is another issue altogether. Many of them, unprepared to deal with debt, are trying to deal with credit cards.

Supporters of this bill rail against irresponsible consumers. What about irresponsible lenders? In the entire bill, there is nothing that tells the credit card companies, if you are really worried about your losses, exercise better judgment about to whom you lend money.

If I went home tonight to Illinois and told someone Congress is working on a bankruptcy reform bill, they would say: Thank goodness; it is long overdue. It is time we went after those Enron cheaters. It is natural they would say that. In the last few years, America has seen this parade of corporate bankruptcy—Enron, WorldCom, Adelphia, United Airlines, USAir, TWA, LTV Steel, Kmart, Polaroid, Global Crossing, KB Toys—the list goes on and on. Many of the companies that have gone into bankruptcy are associated with scandal. In some cases, the CEOs, many of whom are on trial, and their top officers were paid multimillion-dollar bonuses even as the companies were being run into the ground. Then the companies filed for chapter 11 bankruptcy protection and asked a judge to throw out worker contracts and cancel pension plans and health benefits, leaving thousands of families devastated.

Wouldn't one think in a bankruptcy bill we would go after some of these corporate bankrupt cheaters? Wouldn't one think we would go after these CEOs and officers who got hundreds of millions of dollars from these corporations they never paid back? Wouldn't one think we would hold them accountable because their irresponsible conduct meant the corporation would go bankrupt, could not pay its stockholders, could not pay its employees, could not pay its retirees? Wouldn't that be fair, and wouldn't it be timely? It would. You will not find one word about it in this bill. That is corporations. We are talking about individuals and families. We are going to make it tough on them. There is not a word here about the corporate crooks who are milking these corporations at the expense of employees and retirees.

Want to talk about moral values for a couple minutes? I think exhibit A is

some of these corporations, what their officers have done to poor unsuspecting people who worked a lifetime for that corporation, 25, 30, 35 years, showed up to work every day, punching a clock even when they felt sick, thinking: I am doing the right thing for my family. I am saving money for my future, and thank goodness this corporate pension is going to be there for me. Then they retire, and what happens? After these corporate bums milk the corporations dry, they end up canceling the health care and pension of their employees.

Boy, sounds like the subject of a bill which Congress might one day consider, but, no, it will not be today. We do not talk about those people. We are talking about the woman who went in diagnosed with breast cancer, who did not have health insurance and ended up with tens of thousands of dollars of medical bills and found out she could not pay them and in desperation filed for bankruptcy. We are going after her. She is the one who is the target of this legislation, not the corporate officers. We are not going after the insiders. We are going after the ordinary people.

I will give a couple examples of how people game the bankruptcy system, examples that, frankly, when this bill is finished will not even be addressed. Bowie Kuhn, former baseball commissioner, abused the bankruptcy laws. He took advantage of a Florida law which says one's home is exempt from bankruptcy. In other words, if one files bankruptcy they can keep their home.

What did Mr. Kuhn do? He went to Florida and bought a multimillion dollar home with every penny he owned and then filed bankruptcy. So everything he ever had in life was protected. He knew where to go and what to do and he could qualify for this loan.

Burt Reynolds, the actor I used to laugh at in the movies—here is a good laugh: He did the same thing. He bought himself a ranch to protect his assets and then he filed for bankruptcy.

Does this bill go after those millionaires who use the bankruptcy laws the way I described? Nope. Unfortunately, it does not. We are more interested in that woman diagnosed with breast cancer, with medical bills she cannot pay.

The credit card companies are right on one point; we have seen an alarming increase in consumer debt and consumer bankruptcy since they first started pushing for this bill years ago. But we are not talking about economic conditions that have created the household debt crisis in America, the millions of jobs that have been downsized and outsourced and sent overseas, restructured out of existence, the fact that real wages are declining for workers across America. People are working harder and falling further behind.

I see my colleague from the Judiciary Committee. If he is here on behalf of Senator SPECTER to lay down the bill, I yield the floor pursuant to my earlier unanimous consent request to

allow Senator SESSIONS to lay down the bill and make a statement if he wishes, and then I will reclaim my morning business time, if there is no objection.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ORDER OF PROCEDURE

Mr. SESSIONS. Mr. President, I ask unanimous consent that 30 minutes of additional morning business time be set aside at 2:15 today and that Senator BYRD be recognized at that time; provided that following the expiration of the Republican morning business time the Senate resume consideration of Calendar 14, S. 256, the bankruptcy bill.

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

BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 256, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 256) to amend title 11 of the United States Code, and for other purposes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the pending committee amendments be agreed to and be considered as original text for the purposes of further amendment.

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

Mr. SESSIONS. Mr. President, I am pleased we are able now to move forward with this bankruptcy bill. We have been at it 8 years. It has passed this Senate 3 different times, one time with over 90 votes, and the last time was 83 to 15. It represents many years of steadfast debate and discussion.

I see my colleague from Illinois, Senator DURBIN, has been very active in all of this debate. As a matter of fact, at one time he was sponsoring the bill. He has continued to offer amendments that he believes improve it. Some have been accepted and made a part of the bill, some have not.

I think his evaluation of the legislation is far too negative in terms of the impact it would have on poor people. I believe it is going to benefit poor people. It is going to benefit families. It is going to benefit mothers with children. Clearly, it will do that and it will crack down on abuses.

Are there additional abuses we would like to deal with, one in particular he just mentioned, the homestead exemp-

tion? I would like to have gone further. It is in the constitution of quite a number of States that homesteading is so much and Senators have dug in their heels and said this overrides the Florida constitution, the Kansas constitution, the Texas constitution, or I cannot agree to do that on the floor, I will fight this bill and object to it if anyone tries to do that.

So we made some improvements in the abuses on homestead. I think that was the right direction. I wish we could have gone further. Senator HERB KOHL and I would have offered the amendment that could have changed it even more significantly, but perfect is not always achievable. I wish we could do more, but I think we made some real progress. We delineate those steps that tighten it up and make it much more difficult to abuse the homestead exemption. One has to actually live in a house for 2 years in that State or they cannot take advantage of it. That is a step forward and will stop these people from buying a house on the eve of filing bankruptcy. So there are some good things.

With regard to health care, let us talk frankly about health care. Yes, it is a factor in quite a number of bankruptcies. It is not the No. 1 factor. In my view, over half the bankruptcies are clearly not driven by health care, but a large number of them are impacted by health care bills.

The question is this: Will it change the situation for poor people who have health care bills? Will they not be able to take advantage of bankruptcy and wipe those debts out today, just like they would? Well, if they make below the median income—and we think about 80 percent of the filers in bankruptcy make below median income—the law is not going to change. They will still be able to wipe out any debts they have for medical or other reasons.

Then what about if one has a continuing health care debt, and they make above median income but they have a serious medical cost which is recurring regularly, what can they do about that? They will have a harder time going into chapter 13 and paying back some portion of the debts that they owe, people argue, and they are correct, but under this bill the bankruptcy judge can calculate that extra recurring health care debt as part of the expenses and those people would still be able to file under chapter 7, wiping out all of their debts, if that is what they chose to do. If they make above the median income and are able to pay off some of their debts to their doctor and their hospital, why shouldn't they? You mean they have no obligation to pay a hospital that may have spent a lot of money helping them get well or a physician who took care of them and provided medical care to them? If they are making \$80,000 a year and in bankruptcy under chapter 13 the judge finds that a person could pay back 25 percent, why should they not pay 25 percent? The judge will not

order it unless he believes based on the person's income level they have the ability to repay.

When a person in America undertakes an obligation to pay someone, they ought to pay them, and in any country that is so. We are drifting a bit to suggest there is no real obligation to pay the debts we incur. If we get to that point, then we have eroded some very important fundamental moral principles about commerce in America.

I know Senator DURBIN has an amendment he would like to offer, and I will not delay him from doing that. I have some other things to say in general about the bill, and I can say those later. I believe this is a rational bill. That is why it has such broad support. I believe this bill says plainly and clearly, if one can pay back some of their debts, they ought to do so. There is no reason why somebody making \$100,000 who can pay back 20 percent of the debts he owes to the person who fixed his car or the doctor who helped him get well should not pay that back. Why should they wipe out all of those debts?

For the vast majority of people who file, they will be able to file under chapter 7 and wipe out all of their debts if that is what they choose.

I will say one thing further about chapter 13. That is the category of bankruptcy a person would be put into if they were required to pay some of their debts back. Chapter 13 has been a part of bankruptcy law for quite a long time. In my home State of Alabama, over half the bankruptcies are filed under chapter 13. People want to pay their debts. They are behind in their debts. People are bugging them, the phones are ringing, lawsuits are being filed, and they are overwhelmed. They cannot pay all of their debts at once and they file under the bankruptcy law. They say, I want to pay back a percentage of my debts, Judge, and if you will set out a schedule, if you will get these creditors off my back and have them quit calling me, quit suing me, quit sending me demand letters, you set up the schedule, I will pay this one so much a month and this one so much a month. That is a healthy, good thing. We ought to do more of that.

In some States, under 5 percent of the debtors go into chapter 13. That number ought to come up because a lot of those people in some of these States that are so few in choosing chapter 13 should be in chapter 13 for their own self-interest.

One may ask, well, what about these people in Alabama? Are they making them go into chapter 13? No, they have chosen to go into chapter 13 because they want to pay back a portion of their debts. They want to stop the lawsuits from going on. There are other advantages to it, such as being able to keep an automobile and the apartment or the house that one owns in ways that one would otherwise not do.

There are some real advantages of going into chapter 13 rather than chapter 7. Many people choose it and in

some areas of the country it is very much underutilized. This will capture only about the top 20 percent. One expert at our committee hearing said about 7 of those will have extra continuing debts that will take them out of it, so it will probably not be much over 10 percent of the filers who will be impacted. But some of those are the biggest offenders. Some of those are the people with the highest income. As a matter of fact, all of them will be people with incomes above the median income. They ought to pay some of their debts back. This bill will say that they must do that.

I think it will help us in many ways to have more integrity in the bankruptcy system. That is why we have such strong support for it. I am sure we will have a full and open debate as we go forward the rest of this week. I hope we will have a vote, and I suspect we will have another strong vote for final passage.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for clarity I would like to yield back all time in morning business and go to the bill at this point.

The PRESIDING OFFICER. The Senate is on the bill now.

AMENDMENT NO. 16

Mr. DURBIN. Mr. President, I send an amendment to the desk, and I will ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Ms. STABENOW, Mr. BAYH, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. SCHUMER, and Ms. CANTWELL, proposes an amendment numbered 16.

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

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

The amendment is as follows:

(Purpose: To protect servicemembers and veterans from means testing in bankruptcy, to disallow certain claims by lenders charging usurious interest rates to servicemembers, and to allow service members to exempt property based on the law of the State of their premilitary residence)

On page 13, between lines 13 and 14, insert the following:

“(D) Subparagraphs (A) through (C) shall not apply, and the court may not dismiss or convert a case based on any form of means testing, if—

“(i) the debtor or the debtor’s spouse is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(1)));

“(ii) the debtor or the debtor’s spouse is a veteran (as defined in section 101(2) of title 38, United States Code); or

“(iii) the debtor’s spouse dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(2))).

On page 67, between lines 18 and 19, insert the following:

SEC. 206. DISALLOWANCE OF CLAIMS FILED ON HIGH-COST PAYDAY LOANS MADE TO SERVICEMEMBERS.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking “or” at the end;

(2) in paragraph (9), by striking the period at the end; and

(3) by adding at the end the following:

“(10) such claim results from an assignment (including a loan or an agreement to deposit military pay into a joint account from which another person may make withdrawals, except when the assignment is for the benefit of a spouse or dependent of the debtor) of the debtor’s right to receive—

“(A) military pay made in violation of section 701(c) of title 37; or

“(B) military pension or disability benefits made in violation of section 5301(a) of title 38; or

“(11) such claim is based on a debt of a servicemember or a dependent of a servicemember that—

“(A) is secured by, or conditioned upon—

“(i) a personal check held for future deposit; or

“(ii) electronic access to a bank account; or

“(B) requires the payment of interest, fees, or other charges that would cause the annual percentage rate (as defined by section 107 of the Truth in Lending Act (15 U.S.C. 1606)) on the obligation to exceed 36 percent.”.

(b) CONFORMING AMENDMENT.—Section 523 of title 11, United States Code, is amended by adding at the end the following:

“(f) Notwithstanding paragraphs (2), (4), and (6) of subsection (a), a debt is dischargeable in a case under this title if it is based on an assignment of the debtor’s right to receive—

“(1) military pay made in violation of section 701(c) of title 37; or

“(2) military pension or disability benefits made in violation of section 5301(a) of title 38.”.

On page 132, between lines 5 and 6, insert the following:

SEC. 234. PROTECTION OF SERVICEMEMBERS’ PROPERTY IN BANKRUPTCY.

(a) IN GENERAL.—Section 522(b) of title 11, United States Code, as amended by section 224, is further amended—

(1) in paragraph (1), as redesignated, by striking “either paragraph (2) or, in the alternative, paragraph (3) of this subsection” and inserting “paragraph (2), (3), or (4)”;

(2) by redesignating paragraph (4), as added by this Act, as paragraph (5); and

(3) by inserting after paragraph (3), as redesignated, the following:

“(4) If the debtor is a servicemember or the dependent of a servicemember, and the date of the filing of the petition is during, or not later than 1 year after, a period of military service by the servicemember, property listed in this paragraph is—

“(A) property that is specified under subsection (d), notwithstanding any State law that prohibits such exemptions; or

“(B) property that the debtor could have exempted if the debtor had been domiciled in the State of the debtor’s premilitary residence for a sufficient period to claim the exemptions allowed by that State.”.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (13A), as added by this Act, the following:

“(13B) ‘dependent’, with respect to a servicemember, means—

“(A) the servicemember’s spouse;

“(B) the servicemember’s child (as defined in section 101(4) of title 38); or

“(C) an individual for whom the servicemember provided more than 50 percent of the

individual’s support during the 180-day period immediately before the petition.”;

(2) by inserting after paragraph (39A), as added by this Act, the following:

“(39B) ‘military service’ means—

“(A) in the case of a servicemember who is a member of the Army, Navy, Air Force, Marine Corps, or Coast Guard—

“(i) active duty (as defined in section 101(d)(1) of title 10); and

“(ii) in the case of a member of the National Guard of the United States, service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, for purposes of responding to a national emergency declared by the President and supported by Federal funds;

“(B) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service; and

“(C) any period during which a servicemember is absent from duty on account of sickness, wounds, leave, or other lawful cause.”;

(3) by inserting after paragraph (40B), as added by this Act, the following:

“(40C) ‘period of military service’ means the period beginning on the date on which a servicemember enters military service and ending on the date on which the servicemember—

“(A) is released from military service; or

“(B) dies while in military service.”; and

(4) by inserting after paragraph (51D), as added by this Act, the following:

“(51E) ‘servicemember’ means a member of the uniformed services (as defined in section 101(a)(5) of title 10);”.

On page 191, between lines 11 and 12, insert the following:

SEC. 322A. EXEMPTION FOR SERVICEMEMBERS.

Section 522 of title 11, United States Code, as amended by sections 224, 308, and 322, is further amended by adding at the end the following:

“(r) If the debtor or the spouse of the debtor is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(1))) or a veteran (as defined in section 101(2) of title 38, United States Code) or the spouse of the debtor dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(2))), and the debtor or the spouse of the debtor elects to exempt property—

“(1) under subsection (b)(2), the debtor may, in lieu of the exemption provided under subsection (d)(1), exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in—

“(A) real property or personal property that the debtor or a dependent of the debtor uses as a residence;

“(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

“(C) a burial plot for the debtor or a dependent of the debtor; or

“(2) under subsection (b)(3), and the exemption provided under applicable law that may be applied to such property is for less than \$75,000 in value, the debtor may, in lieu of such exemption, exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in any property described in subparagraph (A), (B), or (C) of paragraph (1).”.

Mr. DURBIN. Mr. President, I will go to this amendment in a moment, and it is one I hope all Members will listen to carefully because it is an effort to protect our military from the provisions of this bill, particularly in light of the

activation of Guard and Reserve units across America and the financial hardship it has created. I will speak to that amendment after I address this bill a few moments more.

I thank my colleague from Alabama. We see this issue differently, but there are some things on which we agree. I think my colleague from Alabama is doing the right thing on the homestead exemption because if you could walk into bankruptcy court having just bought a multimillion-dollar mansion in Florida and then say, I don't want to be held responsible for my debts, and then the court says, Of course, your home you can keep, your home is your castle, and that home is worth millions of dollars, you have just defrauded the system, as far as I am concerned. Here you are with a multimillion-dollar home and these debts and you do not pay your debts, and the States of Florida, Texas, Kansas, and a few others say whatever your home is worth, it is exempt.

It is a loophole in the law. If we are talking about just and right conduct in this situation, then clearly we would change the homestead law. I salute my colleague from Alabama because he has been a leader on this issue. It is unfortunate that we have been unable to reach a better agreement as we go forward on this bill.

Mr. SESSIONS. Will the Senator yield for a brief question?

Mr. DURBIN. I yield for a question without yielding the floor.

Mr. SESSIONS. I don't think the Senator would deny that this new bankruptcy reform bill makes it more difficult than current law to abuse the homestead exemption.

Mr. DURBIN. Yes. I would not.

Mr. SESSIONS. We didn't go as far as we would like to go, but we did make some progress.

Mr. DURBIN. I think the Senator from Alabama is correct. The bill makes an improvement, but it doesn't reflect the combined wisdom of the Senator from Wisconsin and the Senator from Alabama, an amendment I was more than happy to support.

So here is this bankruptcy bill, and we are talking about ordinary Americans going into bankruptcy court. We did a survey. We took a look at 1,900 bankruptcies across the United States and said: What brought you to court? Why did you finally have to file for bankruptcy?

More than half of them said medical bills. Three-fourths of the people who filed for bankruptcy because the medical bills had swamped them, three-fourths of those people had health insurance when they were diagnosed but they didn't have enough. It did not cover enough. Or they lost their job and then they couldn't keep up with it.

Is there one of us—I guess there are some, but is there one of us who believes that we are invulnerable when it comes to medical debt? You know better. You go to the doctor's office thinking everything is just fine and you are

diagnosed with a serious illness which results in surgeries, chemotherapy, and long hospital stays. Who among us can say, I'll just write a check; I will cover the difference in my health insurance? Not many. Maybe a handful of people but not many.

So what happens? You go to the hospital. You get treated. When all is said and done you try to get well and go back to work, and there is this huge shadow over your life. They call and they say: We want you to pay.

You pay some, but you can't pay enough and the next thing you know you are consumed with paying this debt, but you just can't do it; it is way beyond your means. What do you do? You do what you can legally do in America today. You go to a court and say: I have to file bankruptcy. I don't have enough assets. I will never be able to pay off this debt.

The court may decide you will never be able to pay off this debt. If they think you can, they may put you on a schedule to make certain payments for a period of time. But say you are a waitress at a diner. You went through breast cancer, surgery, and treatment. You have \$50,000 in debt, and what are your assets, \$20,000? This will never work. You will never get out from under this debt so you can file for bankruptcy. You can clean the slate. You can start over.

That is the law. It is embarrassing. People don't like to go through it, but they are forced into it.

What this bill says, for those people who get in those circumstances, is we are going to make it tougher for you. Let me give you one little illustration of how they make it tougher.

Imagine you have this huge medical debt hanging over your head. The creditors are not only calling you at home, they are calling your kids at home. The kids are crying, saying: How many more phone calls do we have to take, Mom?

You get to go to bankruptcy court, but you just discovered something. You don't have enough money on hand. You have barely enough to get from paycheck to paycheck, and the attorney says: I will represent you, but there is a \$209 filing fee to go into bankruptcy court, and I am going to need at least \$500 to start this proceeding as your attorney.

What am I going to do? I have a credit card. I am going to go ahead and take cash out of my credit card to pay the filing fee and to get \$500 for the lawyer so I can go to court. If I do that within 70 days of filing bankruptcy, they declare this as a fraudulent transaction that cannot be discharged in bankruptcy. That credit card debt for \$740-plus within 70 days of filing is with me forever. The credit card company has me forever until I pay it off.

Some people will say: We have to hold these people to a high moral standard: Pay back your debts, be responsible.

I agree with that. But the law has said for decades that there are some

people who can't do that. They reach a point where they cannot physically do it. They are not making enough money and they never will. So you know what I did in the Judiciary Committee? I said to my colleagues in the Judiciary Committee, if this is about your moral responsibilities, let's talk about some of the corporate CEOs that we have heard so much about recently and their moral responsibilities. I used as an illustration Kenneth Lay, CEO of Enron. Mr. Lay took \$81 million in loan advances from Enron before the company declared bankruptcy. Do you remember what happened when it declared bankruptcy? Not only did the shareholders lose, the employees lost, the retirees at Enron lost, and retirees across America who had investments in Enron lost, too.

So I said to my friends on the Judiciary Committee: If we are going to hold this woman with her medical bills, who just took a cash advance of \$740, to high moral standards, shouldn't we hold Mr. Lay to high moral standards? Shouldn't we look back and see what his corporate activity was?

They said: No. We are just interested in the woman with breast cancer. We don't want to talk about Kenneth Lay.

How about Dennis Koslowski, Tyco chief executive? Do you remember his situation? He had Tyco pay for a \$30,000 shower curtain; \$30,000 paid by the corporation, and he took a total of \$135 million out of the corporation in loans and company payments for his personal use and then went right into bankruptcy. I said to my friends on the Judiciary Committee: How about that? Here is a situation, this corporate executive fleeced his company, pushed them into bankruptcy, hurting millions of people, shouldn't we look back and hold him accountable?

No, we are not interested in Dennis Koslowski, nor WorldCom CEO Bernie Ebbers, who took \$408 million. We are interested in the woman, single mother with two kids, who is a waitress, who can't pay her bills for breast cancer. That is who we are interested in.

That tells you what this bill is all about. This bill is all about the bankruptcies of ordinary Americans, ordinary Americans who are seeing their jobs outsourced, ordinary Americans who are seeing their health insurance downsized if they are lucky enough to have it, downsized every year, ordinary Americans who have seen their real wages decline, ordinary Americans who are not even being paid a minimum wage that reflects the cost of getting by in America, ordinary workers who are losing overtime pay because this administration is restricting the rules for eligibility on overtime. These are the people we are after. We are not after those corporate CEOs. We will save them for another day. Right. Don't hold your breath.

Isn't it interesting at a time when health care in America is so hard to come by and so expensive, when the Government is talking about cutting

back on Medicaid, when we have no proposals to help people with their health care insurance, when we know it is driving people deeper and deeper into debt and more vulnerability, that we come up with a bill that is going to make it tougher for those who cannot pay their medical bills? It tells you about this Congress and its priorities.

This is our second bill. This is our second highest priority in this session: Do something about that woman with breast cancer. She is going to that bankruptcy court, and it is not morally right.

The credit card industry is pushing this bill big time. I told you earlier in the year 2003 the credit card industry had \$30 billion in profit. They don't acknowledge the obvious. If there are abuses in the bankruptcy system there are sections to cover it; 707(b) allows the bankruptcy court to deal with substantial abuses of the rules. That is already in the law. If a bankruptcy judge suspects a person is going to walk on the debts he can pay, the judge orders a trustee to investigate, and if the trustee says the person is hiding assets, the judge can tell the person: I will not discharge your debts.

That is already in the law, and that is the way it should be.

Last year, they investigated over 3,000 cases where they suspected somebody was cheating the bankruptcy system, and it ordered the petitioners to pay their debts in over 95 percent of them.

The system is working. The credit card companies don't need new laws to catch deadbeats. The credit card companies want this law so they can squeeze every last dollar out of decent, hard-working, play-by-the-rules people who have already been devastated economically by traumatic events such as job loss, divorce, and, increasingly, medical problems.

We had a hearing on this bill: 2 hours and 15 minutes. Senator HATCH said, at one point, if this hearing went any longer, it would have cost him his sanity. I won't comment on that. But I think we could have taken a few more minutes on this bill, even invited or subpoenaed the credit card companies to come up and explain why they need this so desperately.

I think we understand what is going on here. The Harvard law and medical schools did a study, the first indepth study of the medical causes of bankruptcy. It is an indepth examination of the records in 1,900 bankruptcy cases filed in five different bankruptcy courts across America, including one in Illinois. It showed that half of the bankruptcies in this country are because of high medical bills.

Listen to these statistics. Two million Americans each year are driven into bankruptcy by medical debt. Three-quarters of them had health insurance when they first got sick. Most of them lost their insurance when they got fired because they were too sick to work anymore, or they were bank-

rupted by out-of-pocket expenses that policies didn't cover. Are these morally flawed people? Are these irresponsible people who got sick? They are good people who had the misfortune of illness.

Harvard law professor Elizabeth Warren, one of the authors of the study, said:

These are hard-working, "play by the rules" people who have health insurance and have discovered that they were just one bad diagnosis away from financial disaster. I think that's the real heart of the story. This is about people who thought they were all safe. Accountants, lawyers, teachers, police officers, airline mechanics, members of the National Guard who get sent to Iraq for a year, the family next-door—that is who is going bankrupt in America, families who spend nearly every dollar they earn, not on luxuries but on necessities and basics: childcare, health care, a decent home, and a safe neighborhood. They have very little savings. They are not doing that well. They dip into their savings when they have to. They may even try to take their money out of their 401(k). Maybe they take out a second mortgage. When that money is gone, they turn to credit cards for basics such as food, gas, and doctors' bills. They have done their level best to raise their kids right and honor their obligations. According to Professor Warren, the average American filing for bankruptcy spends more than a year struggling with debts before filing. This is not an impulsive thing. Four out of ten people she interviewed said they had their phones shut off in the 2 years before they filed. More than half skipped doctor or dental appointments because of the cost. More than 40 percent had failed to fill a prescription, and more than one in five had gone without food—without food—because of the cost. By the time they finally gave up and went to bankruptcy court, the average family owed more than a year's salary in debt, other than their mortgage. Getting the last pound of flesh from these families, that is what the bill is all about.

What is the incidence of abuse? We can almost agree on it.

The American Bankruptcy Institute is a nonpartisan research and education organization that says 3 percent of the people who file for bankruptcy could afford to repay—3 percent. This is about 1.1 million who file each year. The rest don't have two nickels to rub together. The credit card industry says it is 10 percent. Even if you accept their own figure, that means 90 percent of the people who file for bankruptcy are flat broke. They should be left alone.

Under current law, these 90 or 97 percent of bankruptcy petitioners show a bankrupt judge how much they owe and how much they earn. It is a simple process. You could fit the paperwork on a single sheet of paper and have room left over.

If the judge agrees the person cannot afford to pay all of his or her debts, the petitioner can file for chapter 7 bankruptcy, and the credit card debt, medical bills, and other unsecured debts can be discharged, wiped away. Bankruptcy is still financially and emotionally draining, but at least the person can stop at zero.

The bill we are considering assumes that the majority of people are out to

cheat the system. Despite the fact that even the credit card industry says 90 percent of the people are not, this bill assumes they are.

We create a means test—a means test that adds complication to the process, greater legal bills, and greater legal costs for the person in bankruptcy who is trying to get out from under the problem with the means test.

The way the law works now, bankruptcy judges have the authority and discretion to look at how much debt a person has and how they acquired the debt. Then the judge decides: Is this someone who is trying to game the system? Is this someone who has been dealt some hard blows in life? Is this debt brought on by buying a plasma screen television, or taking that cruise, or is it a desperate effort to pay doctors' bills and buy groceries and not see the house foreclosed on?

The means test in this bill wipes out the judge's discretion. The judge can't look at a real person. The judge looks at numbers on paper. The means test isn't really meant to screen out cheaters. There is already a provision in the law for that. It is designed to trip people up, add legal expenses, and force more families into chapter 13.

This isn't a balanced bill. Unfortunately, the scandals I have talked about at Enron, Tyco, and WorldCom are the subject of a good bankruptcy bill. We are not going to consider that. We don't deal with corporate bankruptcies here, that is over the line. We deal with the bankruptcies of ordinary individuals.

Let me tell you about the amendment I am offering because the people I am offering it on behalf of are far from ordinary. They are mothers, fathers, Americans in our country today. These are the men and women in uniform. I have seen them and you have, too. You have seen them on the news—risking their lives in Iraq, Afghanistan, Korea, and around the world. I have seen them in Illinois, as we send our troops to go serve overseas—in Litchfield, IL, about a month ago. There was not a dry eye in the house. About 100 of them were infantry, activated, standing at attention in the Litchfield High School gymnasium. There we sat with the stands filled with families praying for their safe return. We watched them file by and we shook hands with every one of them, saying: Godspeed. We are on your side. We won't forget you. You are in our thoughts and prayers.

Here comes this bankruptcy bill. Do you know what happens? You end up with men and women in uniform—activated Guard and Reserve, and other active military—sent to battle, sent to combat, where every day their life is at stake, and meanwhile many of them are facing extraordinary hardships at home. They and their families have lost their life's savings which they cannot deal with because they are defending our country.

Military service always involves sacrifice. In times of war, those sacrifices

multiply. Extended deployment means long difficult separations. Military service means extraordinary financial hardships.

I asked the GAO to look into issues affecting the economic security of our troops; in other words, what is happening to families' finances when they serve our country and go overseas. There isn't a lot of data. They went back to the 1999 Defense Department survey. In that survey, they found 16,000 Active-Duty members of the military had filed for bankruptcy in the preceding 12 months. That was 1999, 6 years ago.

We know the economic stress on military families has increased dramatically since then. We are at war with 150,000-plus in Iraq and thousands in Afghanistan.

Since September 11, 2001, more than 469,000 National Guard members and Reserves from the Army, Marines, Navy, and Air Force have been called up for combat in Iraq and Afghanistan—the largest deployment of U.S. Guard and Reserve forces in 50 years. Reservists' tours of duty can last up to 24 months today. The Pentagon is considering extending that time limit.

I have a pie chart I would like to show you which demonstrates some of the problems facing the military.

In 2002, the Department of Defense conducted a survey of military spouses. Here is what they found.

Thirty percent—almost one-third—of all military families reported a loss of family income when the spouse was deployed; almost one out of three.

Part-time military—National Guard and Reserve members—were especially hard hit; 41 percent of Guard and Reserve families lost income when a spouse was deployed—41 percent.

Let me just say parenthetically my salute to all of the companies, all of the units of government that have stood behind the men and women in uniform and have said: We will protect your pay while you are gone. We will make sure you don't get penalized. How embarrassing it is to stand here today and tell you that our Federal Government does not stand behind the men and women in the Federal workforce who are activated. We don't make up the difference.

So 41 percent of those Guard and Reserve activated who have lost income include a lot of Federal employees. The average income varied by branch, ranging from an average of \$600 lost for Air National Guard members, to \$3,800 for Marine Corps reservists.

Senior officers lost an average of \$5,000 in lost income and \$700 per enlisted member.

Reservists who own their own businesses are especially hard hit. Fifty-five percent of self-employed reservists lost money when they were activated. The average income loss for these families is \$6,500.

For reservists with specialized degrees and training, the income loss was even greater. Doctors and registered

nurses who are mobilized report an average loss of \$9,000. Doctors in private practice lose an average of \$25,000. The list goes on.

Many of these families manage to scrape by using their savings and relying on relatives and friends. Some families do all of these things, but their financial problems still become so severe that they have no choice but to file for bankruptcy.

They are the people we are talking about in this bankruptcy bill. We are not talking about someone in a distant State in a circumstance we can't understand. We are talking about an activated member of the Guard and Reserve deployed for a year or 2 years who loses his business and has to file for bankruptcy. The law we are going to pass is going to make it more difficult for that person to file for bankruptcy.

Senator EVAN BAYH is one Member who supports this amendment. He calls it the "patriot penalty." We are penalizing those serving our country by making it tough for them when they become bankrupt because they have lost all of their income serving America.

Let me give you an example.

Ray Korizon is from Schaumburg, IL. Before the Persian Gulf war in 1991, he owned a construction company that employed 26 employees. He lost his business when his Reserve unit was deployed for 6 months. Today, he works for the Federal Government.

Some of the self-employed reservists who have been called to duty in this war are facing similar financial hardships. Army Reserve SGT Patrick Kuberry is one of them. He and a business partner—an Army Reserve colonel—used to own two small restaurants in Denver. Like most owners of small restaurants in Denver, CO, they both worked long hours. They didn't make a lot of money, but they made enough to support their families. Then came 9/11 and the economic downturn. They had to close one of the restaurants. In April 2003, his partner was called up and sent to Afghanistan. In June 2003, Sergeant Kuberry's unit was called up. He spent 11 months in Africa. That was the last blow. Without either man home to work, the remaining restaurant went under. Sergeant Kuberry and his partner were forced to file for personal bankruptcy.

Another story: Rick Parsons and Dave Young are both Army Reserve majors from Rochester, NY. In civilian life, Rick Parsons is a veterinarian in private practice and Dave Young is an accountant. They were shipped out with their unit to Afghanistan for a year. They were nearly wiped out financially. Rick Parsons couldn't find another vet on short notice to run his practice. He earned \$70,000 during his year in Afghanistan, but he had to take out a loan for the same amount to save his practice. He figures he was within a month of having to go file for bankruptcy when he got home. Dave

Young's wife and father were able to keep the small accounting firm going during the year he was in Afghanistan.

The other units were not so lucky. Another ended up with a mountain of medical bills after developing malaria.

Let me tell you about another person filing for bankruptcy. Kathy Cruz is a bankruptcy attorney in Hot Springs, AR. The State is home to the 39th Infantry Division of the Arkansas National Guard. In October 2003, the division shipped out for 18 months, including 12 months in Iraq. Six months later, the division deployed, the first Guard families began showing up at Kathy Cruz's office desperate for a way to hold on to their homes and avoid bankruptcy. One of her clients, a family with four teenagers, owned a combination gas station and convenience store. The father was a reservist medic. With him in Iraq, there was literally no one to mind the store. So they closed the store. When they got into serious financial trouble, they gave their home back to the mortgage company so it wouldn't be repossessed. Then things got worse.

Is this irresponsible conduct of these people activated to serve America, to risk their lives in combat? While they are risking their lives, everything they own is at risk.

Things got so much worse, the soldier's parents had cosigned the loan for the business, trying to save it. While this soldier was overseas serving America, they had to declare bankruptcy or they would lose their home and the whole family would be on the street. The grandfather is disabled. The grandmother has gone back to work to try to keep the family afloat financially. The whole family recently came to Ms. Cruz in her office in Hot Springs. This is how she described the visit of this family.

You've got three generations sitting in front of you, scared out of their wits.

Ms. Cruz says she expects to see more such families in the future. In her words, "This is the tip of the iceberg."

Most families try to desperately avoid bankruptcy because of the stigma, the connotation of personal failure and their own moral code that says you pay back what you owe. Many military members and families try doubly hard to avoid it because of the mistaken belief that bankruptcy alone can be grounds for a dishonorable discharge. They are encouraged to believe that, in many cases, by payday lenders that cluster around military bases and communities who are going to let people know inside the base if the soldiers don't pay off.

Let me tell you about loan sharks. Payday lenders are legal loan sharks that offer small, short-term loans at interest rates of 100, 500, even 1,000 percent. When the borrower can't pay back the loan, the payday lender offers them another loan, and then another loan. In fact, a recent study in Iowa found that customers typically roll over interest.

Payday lenders specifically target military members because they know they have a steady source of income, many are young and inexperienced, they have family obligations, they are strapped for cash, and they are easy to find. And, most offensive, payday lenders target military members because they know these are people who are hard working and honest and who believe in personal responsibility and integrity.

Operations like these and others employ former military personnel to solicit soldiers. They use gimmicky, misleading names such as Force One Lending, Armed Forces Loans, Military Financial, and American Military Debt Management Services.

Let me show you this chart of payday lenders in the State of Georgia.

Military loan: Here is an example of one of them. This is what you see on highways and roads leading into many military bases and communities: Store-front pawn dealers, payday loan shops, and "debt consolidation" operations, all trying to lure military members and their families with the promise of fast, easy money which they can never pay off.

This is a store-front payday loan store in King's Bay, GA, just across the State line from a military base in Florida. Note the name of this operation, "Pioneer Military Loans."

Here is another operation on the same highway, "T&C Pawn." Isn't it appropriate that right next door is a unit known as Fleet Cleaners. You get to go to the cleaners in both places.

Retired Navy veteran Peter Kahre made the mistake of taking out a loan with a business like this more than a decade ago when he was stationed at Jacksonville Naval Air Station. He is still haunted by it. When Kahre was deployed in 1996, the "basic sustenance" portion of his military pay was cut by \$197 a month because his food was now being prepared onboard. That pay cut, plus the arrival of a new baby, put his family in a bind. So Kahre borrowed \$100 from a payday lender.

When he could not repay that loan, he took out another, and another, until he had loans with 10 different payday lenders. He estimates he paid back \$20,000 on loans for which he received a total of not more than \$3,000, before he was finally forced to file for bankruptcy.

Let me show you some of the ads from the payday lenders in the Army Times to give you an idea what these folks are after. This one is for our men and women in uniform: "INSTANT CASH." "Advanced Pay Loans." "How we beat the competition:" "Bankruptcies OK." They cannot wait to lure the men and women in uniform into these outrageous loans. "Bankruptcy no problem!" In other words: We will lend you money even though we know you probably cannot afford to pay it back.

There is another kind of predatory lender that clusters around military

communities. They lend money in exchange—listen to this—for military members and veterans signing over their pension benefits. Imagine, if you will—I have read the case that was reported in the news—a sergeant had married a young woman in the Philippines. He could not afford to bring her to the United States. He went in and pledged his military retirement as collateral for one of these loans.

"Cash now!" Look at this one: "Lump sum paid for pensions, VA disability, VSIs. Credit problems OK!" These are the people we talk about who end up getting snared into these outrageous, usurious loans they will never be able to pay back.

The National Consumer Law Center released an excellent report in May 2003. Every Member of the Senate ought to read it. In it you will find story after story of military members and veterans who have suffered serious financial problems because of predatory lenders.

Now let me tell you about the amendment I am offering. Whether the person is career military or Guard or Reserve, the men and women of our Armed Forces make extraordinary sacrifices to defend our Nation. They put their lives on the line, their comfort, their freedom, their time with their families. They sacrifice their health, even their lives. Many of them make major financial sacrifices.

Today, I am offering an amendment that will give military members who have been forced into bankruptcy because of income loss connected to their service the hope of a second chance.

My amendment does not grant military members any favors. It is not a "get out of debt free" card. The members of the military I have met would not want that kind of special treatment. They are men and women of integrity who want to pay their debts and honor their obligations. This amendment simply protects the people who protect us from the possibility of spending the rest of their lives in a figurative debtor's prison.

Let me show you a chart in reference to the amendment. It has four basic elements. My amendment protects three groups of people: service members, military veterans, and spouses of service members who die in military service.

We protect them in bankruptcy with four provisions.

First, we prevent unscrupulous payday lenders from using bankruptcy courts to fleece military members, veterans, and spouses of service members who die in military service. Any claims based on debt they owe that require payment of interest, fees, or other charges in excess of 36 percent would not be collectible in bankruptcy proceedings.

Second, my amendment exempts members of the armed services, veterans, and spouses of service members who die while in military service from the onerous means test provisions of

this bill. Again, this is not a "get out of debt free" card. It simply allows the bankruptcy judge—not an arbitrary and inflexible formula—to determine whether a military member, a veteran, or a surviving spouse of a service member who dies while serving America deserves the protection of chapter 7. It is left to the judge's discretion in these cases when it comes to the military.

Men and women who volunteer to go to war should not have to wage war against the mountain of paperwork this bill creates.

Third, service members face a problem that most other bankruptcy petitioners do not. They do not choose where they live. They are sent on assignment by the military. That can have major economic consequences.

I have a chart that shows some of the homestead exemptions. In other words, when you go to bankruptcy, you can usually protect your home, but every State is different. So if you are assigned, for example, to a base in Florida, there is unlimited protection for your home, if you file bankruptcy while you are in the military. In Ohio, it is \$5,000. That is all that is protecting your home. In Nevada, it is \$200,000. In Illinois, it is \$7,500. If you are stationed in New Jersey, there is no protection at all, no homestead exemption.

So what we have done is to establish a basic homestead exemption. It would say that the members of the military are going to be allowed a \$75,000 homestead exemption, or they can choose the exemption in the State in which they file.

There is another portion of this amendment which relates to the personal property that someone could exempt from bankruptcy. That exemption is different from State to State. For my State of Illinois, I remember from when I dealt with bankruptcy law, you can exempt your tools from being taken from you in bankruptcy—a reasonable idea. But for those sorts of things, every State is different.

So what happens to the member of the military who files and happens to be stationed in the State where they file for bankruptcy? We establish a Federal personal property exemption. I think it is reasonable so that the individual serving in the military has that protection.

Let me conclude. I know several Members are here to speak. We say all the time that we owe the men and women who defend our Nation a debt of gratitude we can never repay. That is true. But we can show that we honor their service by protecting them from spending the rest of their lives in a debtor's prison if their service obligations or serious illness or a string of bad breaks forces them to have to file for bankruptcy.

The credit card industry may argue my amendment is not needed because few military members and their families seek bankruptcy protection. No one knows that for sure. But if it is a

small number, the protections of my amendment will not hurt this multibillion dollar industry.

Some may say that military members and their families do not deserve the protections of my amendment because they are somehow morally deficient—I cannot wait to hear that argument on the floor—the same charge supporters of the underlying bill make about all people seeking bankruptcy. Well, if opponents of my amendment think members of the U.S. military are lacking in moral fiber, they need to spend a couple afternoons with troops, maybe visit some of our injured soldiers, or go to the veterans hospitals across America. Talk to some of these soldiers struggling to learn to walk on new legs, begging to go back into battle with their units. Tell me they need a lesson in personal responsibility.

This amendment is about the men and women who protect us getting protection from the possibility of a lifetime of debt. It is about giving to those who risk their lives so our children can grow up in freedom the possibility of a second chance for their own lives. We cannot repay the debt we owe these men and women, but we can protect them from having to spend the rest of their lives in debt. That is what my amendment would do. I urge my colleagues—and I hope on a bipartisan basis—to support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I share Senator DURBIN's respect for our men and women in uniform. I served over 10 years in the Army Reserve. I have made three trips to Iraq as a member of the Armed Services Committee. We work on those issues on a daily basis.

The last time I was in Iraq we were meeting with soldiers, and I had one tell me his business had been hurt by him being there. He lost income, and he was worried about it. We discussed that with the soldiers there.

Then later he came up to me and said: I want you to know, Senator, one hour from now I am signing up for another 7 years.

It made me proud to know that we have that kind of service personnel who are serving their country well. How we ought to compensate them, how we ought to benefit them is something all of us need to consider. We are having increased compensation plans, increased bonuses for reenlistment, and other increasing benefits for our personnel because we love them. We respect them. We want to affirm them. We want to carry our part of the burden that they are carrying as they serve us in dangerous areas of the globe today.

I want to point out, though, and bring ourselves back to where we are, this is not a bill that deals with American health insurance. It is not a bill that deals with compensation for the military. It is not legislation that

should set bank lending rates. That is a Banking Committee issue, and it has been raised against this bill on a number of occasions. We have some credit card changes here, consumer-oriented credit card amendments that I know Senator DURBIN and others have asked for and have been cleared by the Banking Committee. But this is not the place to set banking regulations in a bankruptcy bill.

This legislation is designed to analyze what is occurring in Federal bankruptcy courts every day, to see what is happening there. What we have learned is that over the last 30 years, people have learned to manipulate this system in ways that are not good for the economy. Lawyers, particularly, have advised their clients on ways they can absolutely maximize their benefits under the bankruptcy law. And sometimes we have found that has not been healthy. As a result, these advertisements—and they are on television, in the newspapers, in the free things at the check-out counter where it tells you where you can buy things on sale—tell you how to file for bankruptcy. That is all right. It is a free country. But those of us who set policy and set the rules for the bankruptcy system need to analyze how it is actually working in bankruptcy court. We need to ask ourselves what we should do to make it better. And we need to do some things that help debtors such as single moms, who have bankruptcies filed against their child support and things of that nature, to put them higher up on the list of people who get compensated. We do that.

The testimony is unequivocal that with regard to family breakup, alimony and child support, this bill is a huge step forward for children and their parents who receive those benefits.

There is a lot in here that benefits people on a routine basis who have to go into bankruptcy court. Remember, if you make below median income in America and you file for bankruptcy, you can wipe out, as an absolute right, every debt you owe, no matter how you incurred it, for any reason.

I know Elizabeth Warren. She has been an activist against bankruptcy reform for years. And one thing she puts in her definition of debts arising from health care is gambling debts, for example. I believe those numbers that have been promoted at a recent hearing by her are at best a bit too high. They are really less. Are health care debts a part of this? Yes. Are there people with insurance who still don't have enough money to pay their health care debts? Yes. Do people who don't have insurance have health care debts that help cause them to be unable to pay their debts and go into bankruptcy? Yes. But what if you make \$100,000 and you have \$75,000 in debt? Under current law, you can go into bankruptcy court and wipe out every one of them. It can be your doctor, your local hospital, your local automobile dealership, your friendly

mechanic, anyone you owe in the community—just wipe out those debts. You don't have to pay them.

Lawyers will tell them that. They are advertising how to do that. Beat your landlord. Don't have to pay your rent. Come on down. We will keep you in your house another 6 months by filing bankruptcy, which will stay eviction. And then, when you finally lose that, which you inevitably will lose that contest of eviction, then you wipe out all your debts and rents, and you don't owe anybody anything.

Let me say, there are problems in bankruptcy that this bill has carefully set about to deal with and tried to fix. I am rather proud of it. We have made a lot of progress on dealing with a number of the abuses that exist. But we are not in the business of dealing with health insurance, health care reform. We can't deal with the issue on how we ought to compensate reservists and guardsmen who have been activated.

I will say this with regard to the military issues. My staff has been reviewing the fundamental protections provided to the service men and women under the Soldiers and Sailors Relief Act, originally passed in 1940. It is a tremendous piece of legislation to protect service personnel who are called to active duty from being harassed, abused, or taken advantage of in court.

It remains the law of the land today. It has been strengthened over the past years. When I was in the Army Reserve, I was a U.S. attorney, and sometimes there is a basic officer in the unit, and sometimes in my duties as a jack officer it fell in my lot to brief the personnel on the benefits of it and to represent people who would be abused under the Soldiers and Sailors Relief Act. It has some very good and powerful things in it.

Let me show you how many of the concerns that the Senator has are covered by that act. In 2003, we passed the Service Members Civil Relief Act, which added even more protections. The goal was to financially protect Active-Duty military members, reservists in active Federal service, and National Guard members. The act allows military members to suspend or postpone civil financial obligations during their period of military service. Oftentimes, this can enable them to avoid having to file a bankruptcy.

The information brochure on the Soldiers and Sailors Civil Relief Act, by the Department of Defense, states that it provides an umbrella of protection, and it does. The umbrella of protection created by the act includes these provisions: an interest rate cap of 6 percent on all debts incurred before or during commencement of Active-Duty service. So if you are called to active duty and you entered into a debt that carries a 25-percent interest rate, you can reduce that. It applies to mortgage payments, credit card payments, and car loans. The act provides protection from eviction. It would delay all civil court proceedings, including bankruptcy, until

you get back—an automatic delay. If the lawyer says the serviceman is in Iraq—“He has been activated, Your Honor”—this case is stayed. That is what is done immediately. There is no dispute. Foreclosure proceedings are delayed. Divorce proceedings against a service member are stayed.

There is a prohibition on entering of default judgments against Active-Duty military members and the ability to reopen default judgments. In other words, sometimes when the service member is gone, he does not know he has been sued and failed to respond effectively because he is on active duty. The judge is prohibited from taking a default. But if the judge, by mistake or otherwise, enters a default judgment, then that Active-Duty member can have it set aside when he comes back. It is not binding.

The ability to terminate property, residential and automobile leases at will is provided for in this act. In other words, if you enter into a solemn lease agreement for a residence or an automobile and you are called up, all you have to do is write them and say: I have been activated, so I am no longer bound by this lease agreement. It includes the continuation of life insurance of at least \$250,000, without requiring premiums to be paid.

The tolling of statutes of limitation—in other words, if you have a lawsuit and you are thinking about filing it and the time for you to file it is about to run and you get called to active duty, that time is extended until you return, and you have time after you return to file any lawsuit because the statute of limitations is tolled. There is temporary relief from mortgage payments, and credit rating protections. In other words, if you are somehow found to be poorly responsive to your debts because you have been activated, you can clear up your credit rating.

There are penalties for landlords and creditors who violate the act and fines of up to \$100,000 or imprisonment if they harass a service member contrary to this act while they are serving their country in some distant land. The Supreme Court has even added to the act the ability to help military members in times of financial need by ruling that the act must be read with an eye friendly to those who drop their affairs to answer their country's call. This has been a strong act that provides great protection for our men and women. We all ought to be proud that America has understood this.

Now, let's talk about some of the specific ideas that are in Senator DURBIN's bill. He said it somewhat differently than what he offered in committee. I have not seen amendments until this morning, and I briefly heard his comments and have not had a chance to study it in detail. But he would exempt service members, military Active-Duty members, veterans, and spouses from means tests contained in the bankruptcy bill because a means test will

not reflect their real income or real ability to pay debts back. But I don't think that is true.

The bill contains a rebuttal to the means test application when a court finds special circumstances. These are the ones I think we are discussing. A special circumstance that a military member could assert under this bill as it now exists—this bankruptcy bill—would include the fact that their income dropped in recent months due to a call to active duty or there have been excessive expenses arising as a result of being called to active duty. That assertion would keep the means test from applying to the military debt. No special exemption, it would appear, would be necessary for military members on this basis because a call to active duty that causes a drop in income, to me, would be clearly a special circumstance. The bill currently contemplates that, although I think, frankly, we could explicitly state that as a mandatory circumstance.

Second, he asserts that this amendment is necessary to protect military members' homesteads. His amendment would apply to the Federal cap of \$125,000 contained in the bill to all service members or allow the service members to choose the exemption level permitted by the State he resided in before becoming a service member. It opens up the homestead compromise we have battled so hard on and dealt with. I don't think it would affect many service members. Many of them live in housing provided by the military. Because the bankruptcy bill requires 2 years of residency in a State before the State homestead exemption can apply, it is highly unlikely that military members will be often covered by it. They move frequently.

The Senator also argues his amendment is necessary to protect service members from predatory loans and high-interest loans. I believe that this concern is well covered by current law. The Soldiers and Sailors Relief Act prevents interest charges greater than 6 percent from being collected on any type of debt owed by an Active-Duty service member. Even debts the service member made before being called to active duty are covered by this interest cap. We have dealt with this issue before. The House had a full debate on it. It was voted down there.

The floor debate on the bankruptcy bill previously, S. 1920, which exempted veterans and others from the means test, was offered by Congresswoman SCHAKOWSKY in opposing the amendment. Chairman SENSENBRENNER pointed out that the means-based test only applies to people with incomes above the median State average. I will repeat that. Anybody who is making above the median income could be impacted by the means test and, therefore, could be ordered to pay back some of the debt they have lawfully incurred. If they are unlawfully incurred, they cannot be made to pay them back. The court won't make them pay it back.

But they could be made to pay back some of those based on how much their income is above median income. If they are making \$200,000 a year, the judge may say they have to pay them all back. If they are making \$50,000 and they owe \$100,000 in debts, the court may conclude they only can pay back \$15,000. That is how this will work out in reality.

He points out that factor and notes that anyone who is below the State median income does not qualify on the means-based test and their bankruptcy petition cannot be tossed out of chapter 7 and put into chapter 13 where some debts are paid back.

Chairman SENSENBRENNER also agrees with my analysis that the issues have been taken care of in the most part since 1940 under the Soldiers and Sailors Relief Act which allows for the staying of legal proceedings against anybody on active duty.

I think he points that out. We have some ideas. He makes another point I will not go into at length. I will say this: I am very concerned about our men and women in uniform. I want to make sure there are no loopholes or gaps in the Soldiers and Sailors Relief Act. I want to make sure this bankruptcy act in no way makes it more difficult for our soldiers than what they have today. I will be glad to look at this amendment and study it more carefully and perhaps offer an alternative that would be more constrained and would deal more directly with the problems. A veteran could be someone who has been in the country, off active duty, for quite a long time. I am not sure that adding all veterans to this exemption would be a good idea particularly. I have some real doubts about that.

Mr. President, I state my opposition to the Durbin amendment. I look forward to analyzing it further, and if there are areas in which we can reach accord, I will be pleased to support that. If there are other needs of our service personnel that could be impacted positively by a bankruptcy reform bill, I am prepared to look at that.

I yield the floor.

The PRESIDING OFFICER (Mr. BURR). The Senator from Illinois.

AMENDMENT NO. 16, AS MODIFIED

Mr. DURBIN. Mr. President, I thank the Senator from Alabama for offering to work with me. It would be my wish and hope that we could find a bipartisan agreement on this issue. Either he or someone who is distributing information on the floor has raised I think a very valid issue about our reference to the term “veteran” in my amendment. What we were thinking of was a situation where some of our active-duty soldiers who are seriously wounded and transferred to hospitals, such as Walter Reed, find themselves needing to be discharged quickly so they can go into the veterans health system. So we included the term “veteran” so it would apply to them as well.

But someone has observed, correctly, by using the term "veterans" we have opened this up very broadly. So I send a modification to my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment, as modified, is as follows:

(Purpose: To protect servicemembers and veterans from means testing in bankruptcy, to disallow certain claims by lenders charging usurious interest rates to servicemembers, and to allow servicemembers to exempt property based on the law of the State of their premilitary residence)

On page 13, between lines 13 and 14, insert the following:

"(D) Subparagraphs (A) through (C) shall not apply, and the court may not dismiss or convert a case based on any form of means testing, if—

"(i) the debtor or the debtor's spouse is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(1)));

"(ii) the debtor or the debtor's spouse is a veteran (as defined in section 101(2) of title 38, United States Code) and the indebtedness occurred in whole or in part while they were on active military duty; or

"(iii) the debtor's spouse dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(2))).

On page 67, between lines 18 and 19, insert the following:

SEC. 206. DISALLOWANCE OF CLAIMS FILED ON HIGH-COST PAYDAY LOANS MADE TO SERVICEMEMBERS.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end; and

(3) by adding at the end the following:

"(10) such claim results from an assignment (including a loan or an agreement to deposit military pay into a joint account from which another person may make withdrawals, except when the assignment is for the benefit of a spouse or dependent of the debtor) of the debtor's right to receive—

"(A) military pay made in violation of section 701(c) of title 37; or

"(B) military pension or disability benefits made in violation of section 5301(a) of title 38; or

"(11) such claim is based on a debt of a servicemember or a dependent of a servicemember that—

"(A) is secured by, or conditioned upon—

"(i) a personal check held for future deposit; or

"(ii) electronic access to a bank account; or

"(B) requires the payment of interest, fees, or other charges that would cause the annual percentage rate (as defined by section 107 of title 11, United States Code, is amended by adding at the end the following:

"(f) Notwithstanding paragraphs (2), (4), and (6) of subsection (a), a debt is dischargeable in a case under this title if it is based on an assignment of the debtor's right to receive—

"(1) military pay made in violation of section 701(c) of title 37; or

"(2) military pension or disability benefits made in violation of section 5301(a) of title 38."

On page 132, between lines 5 and 6, insert the following:

SEC. 234. PROTECTION OF SERVICEMEMBERS' PROPERTY IN BANKRUPTCY.

(a) IN GENERAL.—Section 522(b) of title 11, United States Code, as amended by section 224, is further amended—

(1) in paragraph (1), as redesignated, by striking "either paragraph (2) or, in the alternative, paragraph (3) of this subsection" and inserting "paragraph (2), (3), or (4)";

(2) by redesignating paragraph (4), as added by this Act, as paragraph (5); and

(3) by inserting after paragraph (3), as redesignated, the following:

"(4) If the debtor is a servicemember or the dependent of a servicemember, and the date of the filing of the petition is during, or not later than 1 year after, a period of military service by the servicemember, property listed in this paragraph is—

"(A) property that is specified under subsection (d), notwithstanding any State law that prohibits such exemptions; or

"(B) property that the debtor could have exempted if the debtor had been domiciled in the State of the debtor's premilitary residence for a sufficient period to claim the exemptions allowed by that State."

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (13A), as added by this Act, the following:

"(13B) 'dependent', with respect to a servicemember, means—

"(A) the servicemember's spouse;

"(B) the servicemember's child (as defined in section 101(4) of title 38); or

"(C) an individual for whom the servicemember provided more than 50 percent of the individual's support during the 180-day period immediately before the petition;"

(2) by inserting after paragraph (39A), as added by this Act, the following:

"(39B) 'military service' means—

"(A) in the case of a servicemember who is a member of the Army, Navy, Air Force, Marine Corps, or Coast Guard—

"(i) active duty (as defined in section 101(d)(1) of title 10); and

"(ii) in the case of a member of the National Guard of the United States, service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, for purposes of responding to a national emergency declared by the President and supported by Federal funds;

"(B) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service; and

"(C) any period during which a servicemember is absent from duty on account of sickness, wounds, leave, or other lawful cause;"

(3) by inserting after paragraph (40B), as added by this Act, the following:

"(40C) 'period of military service' means the period beginning on the date on which a servicemember enters military service and ending on the date on which the servicemember—

"(A) is released from military service; or

"(B) dies while in military service;"

(4) by inserting after paragraph (51D), as added by this Act, the following:

"(51E) 'servicemember' means a member of the uniformed services (as defined in section 101(a)(5) of title 10);"

On page 191, between lines 11 and 12, insert the following:

SEC. 322A. EXEMPTION FOR SERVICEMEMBERS.

Section 522 of title 11, United States Code, as amended by sections 224, 308, and 322, is further amended by adding at the end the following:

"(r) If the debtor or the spouse of the debtor is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(1))) or a veteran (as defined in section 101(2) of title 38, United States Code) if the indebtedness occurred in whole or in part while they were on active military duty or the spouse of the debtor dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(2))), and the debtor or the spouse of the debtor elects to exempt property—

"(1) under subsection (b)(2), the debtor may, in lieu of the exemption provided under subsection (d)(1), exempt the debtor's aggregate interest, not to exceed \$75,000 in value, in—

"(A) real property or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor; or

"(2) under subsection (b)(3), and the exemption provided under applicable law that may be applied to such property is for less than \$75,000 in value, the debtor may, in lieu of such exemption, exempt the debtor's aggregate interest, not to exceed \$75,000 in value, in any property described in subparagraph (A), (B), or (C) of paragraph (1)."

Mr. DURBIN. Mr. President, I want to explain briefly so the Senator from Alabama understands. We amended the term "veteran" in the amendment so it only applies to the situation where the veteran's indebtedness in whole or in part occurred during active duty. We were referring to veterans in general, and one person said: What if you were a veteran of World War II many years ago and your indebtedness had nothing to do with it? We have clarified it with this modification that it would be veterans whose indebtedness was incurred in whole or in part during their term of active duty.

I might also say to my colleague from Alabama, we have a legitimate dispute about the Servicemembers' Civil Relief Act. I would like to join with him to find out which one of us is correct because we have been told that this Civil Relief Act does not apply to debts incurred after military service begins. The most significant limitation is that its primary protections apply only to obligations entered into before a person is called to active duty.

So, ironically, it does not protect military families when they need it the most when additional debt is incurred to help make ends meet during active duty. Rather than belabor this point, I would like to join the Senator from Alabama and get to the bottom of it and find out who is right. It is an important point.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. SESSIONS. Mr. President, will the Senator yield for a unanimous consent request?

Mr. FEINGOLD. I yield.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside to allow Senator FEINGOLD to offer a first-degree amendment. Before the Chair rules, I indicate that it is my expectation to offer a second-degree amendment to the Durbin amendment or work out an agreement for two side-by-side first-degree amendments. While we are working out that agreement, we are prepared to go forward with the discussion on the Feingold amendment, with the understanding that we would then return and debate the Sessions amendment and the Durbin amendment and dispose of those matters first.

Mr. DURBIN. Reserving the right to object, and I do not plan to object, it is my understanding that my amendment is pending.

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. So that any amendment filed subsequently would follow it for consideration.

The PRESIDING OFFICER. If the Feingold amendment is offered, it will be pending, but the understanding of the Chair of what is in the unanimous consent request is that the amendment of the Senator from Illinois would be considered when the Senator from Alabama is ready to second-degree that amendment.

Mr. DURBIN. Thank you, Mr. President. I withdraw my reservation.

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

The Senator from Wisconsin.

AMENDMENT NO. 17

Mr. FEINGOLD. Mr. President, I have an amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 17.

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

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

The amendment is as follows:

(Purpose: To provide a homestead floor for the elderly)

On page 191, between lines 11 and 12, insert the following:

SEC. 322A. EXEMPTION FOR THE ELDERLY.

Section 522 of title 11, United States Code, as amended by sections 224, 308, and 322, is amended by adding at the end the following:

“(r) For a debtor whose age is 62 or older on the date of the filing of the petition, if the debtor elects to exempt property—

“(1) under subsection (b)(2), then in lieu of the exemption provided under subsection (d)(1), the debtor may elect to exempt the debtor's aggregate interest, not to exceed \$75,000 in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence, or in a burial plot for the debtor or a dependent of the debtor; or

“(2) under subsection (b)(3), then if the exemption provided under applicable law that

may be applied to such property is for less than \$75,000 in value, the debtor may elect in lieu of such exemption to exempt the debtor's aggregate interest, not to exceed \$75,000 in value, in any such real or personal property, cooperative, or burial plot.”.

Mr. FEINGOLD. Mr. President, I am very concerned about the impact of this bankruptcy bill on our senior citizens. Older Americans, far more than the rest of us, often face crushing debt burdens because of the high cost of prescription drugs and other medical expenses, and they need the safety net of bankruptcy relief to deal with their resulting financial troubles. In fact, Americans over 65 are now the fastest growing age group filing for bankruptcy protection.

Older Americans, far more than the rest of us, are often homeowners who have paid off their mortgages over decades of hard work. Their home equity often represents nearly their entire life savings, and their home is often their only significant asset. It is critical we ensure these older Americans are not forced to give up their hard-earned homes—the homes where they have raised their children and planned to spend their retirement—in order to seek the benefit of our bankruptcy system. These are not just pieces of real estate to these people; these are their havens, their sanctuaries, their life's work. Yet the bankruptcy law in its current form does not adequately protect older Americans from a horrible dilemma.

For older homeowners, the homestead exemption in the bankruptcy laws is what should protect them from having to make the horrible decision to give up their homes in order to seek bankruptcy relief. This exemption legally protects the homestead—a personal residence—or some portion of its value from the claims of most creditors. It should mean that senior citizens faced with bankruptcy because they cannot pay off their massive medical expenses are allowed to keep their homes.

In too many cases, this homestead exemption is woefully inadequate. The value of this exemption varies widely from State to State. While Federal law currently creates an alternative homestead exemption of just under \$20,000, that low amount is just that, an alternative. Each State gets to decide whether it will allow its debtors to rely on this Federal alternative, and many do not. As a result, some States allow a much higher exemption, but many have a much lower exemption.

In States such as Florida and Texas, there is a homestead exemption with an unlimited dollar value, meaning that any money invested in a home cannot be obtained by creditors. I should note, of course, that this creates other problems, which I will address in a few minutes. But other States allow a very limited value homestead exemption. In many States, the amount of equity a homeowner can protect in bankruptcy has lagged far

behind the dramatic rise in home values in recent years. For example, in the State of Ohio, the homestead exemption is only \$5,000, and in the Presiding Officer's State of North Carolina, the homestead exemption is \$10,000. In this day and age, those paltry exemptions will do no good. We obviously have a problem, and it is hitting our older friends and family members the hardest.

Think about it: In these low homestead exemption States, even indigent elderly homeowners who own a home free and clear worth only \$30,000 or \$40,000 cannot file for chapter 7 bankruptcy without losing their home. And they may not be able to file a chapter 13 case because they cannot afford to pay creditors the value of their home equity that is not exempt, as required by that chapter. Many elderly homeowners live solely on Social Security benefits, often no more than \$800 to \$1,000 per month. This is enough to subsist in their paid-off homes, while still paying taxes, utilities and other basic living expenses. But if they lose their homes, they will not be able to rent a decent place to live. Effectively, this means these older homeowners have no bankruptcy relief available to them at all. We have to address this gross inequity before we pass this bill. My amendment would create a uniform federal floor for homestead exemptions of \$75,000, applicable only to bankruptcy debtors over the age of 62, protecting the lower- and middle-class senior citizens who need it most.

I will give an example that illustrates why it is so important that we fix this problem and fix it now. Let me tell my colleagues about Mary Bobbit. Mary Bobbit is a 70-year-old widow who lives in North Carolina, where the homestead exemption is only \$10,000. According to a local news story, she recently lost her husband to cancer, a battle that left her with more than \$175,000 in unpaid medical bills. Her only remaining asset is the home that her family built themselves 26 years ago, a home that she paid off just last year. And now she is faced with a horrible dilemma, because if she files for bankruptcy in North Carolina, she will lose the home that she and her husband worked so hard to build and pay for.

As Mary Bobbit's story shows, this is not a hypothetical problem. Despite the fact that older Americans tend to own their own homes and have greater financial experience compared to the rest of us, they are the fastest growing age group in bankruptcy. In the 1990s, the number of Americans 65 and older filing for bankruptcy tripled. Why is that?

Well, older Americans simply do not have the same resources for their retirement years that they used to. They live on fixed incomes that are not keeping up with rising costs. Fewer and fewer Americans have pensions, and many Americans who are just hitting retirement age lost much of their retirement savings when the stock market bubble burst a few years ago.

But one of the biggest reasons that older Americans go into bankruptcy is the inability to pay medical expenses. Between prescription drug costs and the costs of hospitalization, medical expenses can add up quickly for someone on a fixed income. Medicare simply is not providing the help that many of them need. In fact, medical expenses are the cause of more than half of all bankruptcies filed by debtors over the age of 50.

Another big factor in the rising bankruptcy rate of older Americans is job loss. People who are nearing retirement age and lose their jobs due to mergers and down-sizing can find it very difficult to find a new job. If you are in your late 50s and lose a job, just try to find someone to hire you at the same wages you were making before. It is not easy, and the results can be devastating.

Job loss is also a problem for the increasing percentage of older Americans who are finding that they have to return to work after retirement in order to make ends meet, giving up the American dream of security and leisure in retirement. In fact, nearly half of seniors say they plan to continue working during retirement because they cannot survive financially otherwise. Senior citizens are reporting that if they lose even a low-paying, part-time job at places like McDonald's or Wal-Mart, they may no longer be able to afford their basic living expenses.

Yet another disturbing trend is that the credit card debt of Americans over age 65 increased dramatically in the 1990s, in part thanks to the fact that they can now charge many prescription drug and other medical expenses. I am very disturbed by the idea that seniors would end up having to pay credit card interest rates of even 20 percent in order to pay for the medical treatment they need.

Older Americans are increasingly the victims of unscrupulous predatory lenders. According to the AARP, elderly Americans are three times more likely to be targeted. In fact, according to a Harvard study, nearly one in five older Americans in bankruptcy filed their petition at least in part to avoid constant, harassing, 24-hour-a-day collection calls or other actions.

All of this rather sad picture makes one thing very clear. We are not talking about people who were reckless with their spending and think they can use or manipulate the bankruptcy laws to get out of it. We are talking about responsible people who have worked toward retirement their whole lives, yet whether because of devastating medical costs, job loss, or some other tragedy, find themselves in a financial emergency and are unable to pay their debts. These people turn to the bankruptcy system only as a last resort. They should not also be forced to give up their homes for doing so.

We cannot allow this to continue. We have to fix this problem.

I believe my amendment offers a solution to help them. Federal law should

protect the elderly in States where the homestead exemption is very low. The optional Federal bankruptcy exemptions allow a homeowner to protect only a little under \$20,000, and even then States can simply ignore that Federal alternative and require their debtors to use the State exemptions, which are often much lower. My amendment would create a uniform Federal floor for homestead exemptions of \$75,000, applicable only to bankruptcy debtors over the age of 62. States could no longer impose lower exemptions on their seniors. This would permit senior homeowners to file for bankruptcy without losing what is usually the only significant asset they have: their homes. And if my amendment were adopted, the U.S. Congress would not be the first to acknowledge that this is a problem for the elderly. Both California and Maine have recognized that elderly debtors deserve increased homestead protection. California recently raised the exemption for the elderly to \$150,000, and Maine has an exemption for debtors over 60 of \$70,000. It is about time we caught up with these forward-thinking State legislators and gave our seniors the protection they need.

I do want to briefly address the very serious problem that I alluded to earlier, which is that some wealthy Americans have exploited the unlimited homestead exemption available in certain States. This certainly is not a new issue; we have had years of debate over the unlimited homestead exemptions in some states that permit wealthy people to file bankruptcy and retain their mansions. One frequently cited example of abuse is Bowie Kuhn, the former baseball commissioner whose law firm went into bankruptcy. After creditors seized his home in the Hamptons and were about to attach his mansion in New Jersey, Mr. Kuhn acquired a multi-million dollar home in Florida and protected it from his creditors. Florida, of course, is one of the States with an unlimited homestead exemption. Section 322 of the bankruptcy bill attempts to address this problem, but does so only for a relatively small number of people. It treats the poor and middle class harshly while still letting some wealthy debtors, who are clearly abusing the system, shelter millions of dollars. I agree with my senior colleague from Wisconsin, Senator KOHL, and the distinguished Senator from Alabama that this loophole must be addressed. Unfortunately, I do not think the homestead exemption limitation in this bill does the job as well as it could, but I am afraid we will have to turn to that issue on another day.

My amendment addresses the flip side of the homestead issue. It has no effect whatsoever on the homestead provision agreed to by Senator KOHL in the 2002 conference, which remains in this new bill. Rather than being concerned with the relatively small number of high-profile wealthy abusers of

the system, my amendment is aimed at the thousands upon thousands of elderly homeowners who are being squeezed by medical bills and rising home prices into an untenable position.

Let's be honest. Despite all the investment opportunities available to many in this country, for a very large number of seniors, the only retirement plan they have is this: pay off your house, and live on Social Security. People in that situation can survive, but not if they get hit with a financial emergency, usually a severe medical problem, and live in a State that has a low homestead exemption. We need to help them, and we need to do it now.

The bankruptcy system should provide a safety net for families truly in need of relief. This senior homeowner protection amendment is a reasonable solution to a growing problem. I strongly urge my colleagues to support this amendment, and I ask unanimous consent that a letter of support for this amendment from the AARP be printed in the RECORD.

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

AARP,
March 1, 2005.

Hon. RUSSELL D. FEINGOLD,
Hart Senate Office Building, U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: Debate on S. 256, the "Bankruptcy Abuse Prevention and Consumer Protection Act of 2005", has begun on the floor of the Senate and we understand that you are prepared to offer an amendment to S. 256 that creates a uniform federal floor for homestead exemptions of \$75,000 that is applicable only to bankruptcy debtors over the age of 62. AARP supports this amendment, and urges the Senate to adopt it as part of the legislation to help safeguard older Americans from losing their homes when they find it necessary to file for bankruptcy.

Individuals and families that are near or of retirement age, and confronted with the unavoidable choice of filing for bankruptcy, very often find themselves in an ever tightening vice: at the end of their working careers, with little or no time or opportunity to recover financially, and with very few assets. Experts cite the financial problems of older Americans as being based on an array of factors, among them: job loss, medical expenses, death of a spouse, divorce, financial support for children and grandchildren and less retirement income. But it is job loss and medical expenses that top the list of reasons for indebtedness and bankruptcy.

For millions of older persons, their homes represent their principal financial asset and their personal independence. Today, the federal bankruptcy exemptions allow a homeowner to protect only a little under \$20,000 in home equity, and many states allow even less. The dramatic increases in home prices over recent years have caused a special problem for older homeowners who need bankruptcy relief from overwhelming debt that is often due to large medical expenses. The amount of equity a homeowner can protect in bankruptcy has not kept up with the rise in home prices, so that even an indigent elderly homeowner who owns a home worth only \$30,000 or \$40,000 cannot file a chapter 7 bankruptcy without losing that home and cannot file a chapter 13 case because he cannot afford to pay creditors the value of the equity that is not exempt, as required by that chapter.

The irony of the situation is that under existing law affluent debtors in a number of states are allowed to keep homes of unlimited value. Should we punish the remaining older Americans twice—for having to file for personal bankruptcy under either Chapter 7 or 13, and to lose what often is their only remaining retirement asset?

We urge Members of the Senate to provide this modest bankruptcy relief for older Americans. If you have any questions, please do not hesitate to contact me, or call Roy Green of our Federal Affairs staff at 202-434-3800.

Sincerely,

DAVID CERTNER,
Director, Federal Affairs.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, Senator FEINGOLD has been very alert to the issues of this bill, and he has contributed to this legislation. We have agreed some and disagreed some. We have had a lot of fun discussing the issues, and I know I have learned a good bit from it.

Let me say, frankly, where we are on homestead. That has been an intensely debated matter for 8 years. We have reached a compromise on how to handle homestead, and rather than cracking down on the abuses of those people who move to States with unlimited homesteads, we basically have agreed as a Senate that the States get to decide how much should be exempted under the bankruptcy law. In other words, each State gets to decide.

States need to begin to think about what their limits are and whether they need to change them. The Senator noted that California has raised its exemption for a home. Others will probably do the same, and some have already done so.

It threatens this legislation in a fundamental way if we now go in and say we are going to override the State laws about what the homestead exemption should be. I do not think we should do that. I think it could help kill this bill. I know Senator FEINGOLD is not a fan of it, and I do not think we should do this.

With regard to the abuses in the homestead legislation, we did put in language that cracked down on the ability of someone to move to a State that has a more favorable law and place an unlimited amount of equity into a very expensive home and file bankruptcy and be able to keep that equity which they could then reconvert to cash.

I think that is a problem. I would like to have seen this go farther, but we didn't make that, we didn't reach that bridge. It was a bridge too far. We failed to do that. It is one item in the bill I think we could have done better with, frankly.

I will say this. The exemption, fundamentally, should apply to everyone, 62 above or below, as far as I can see. A young family, I don't know why they would not need the same protections a senior would. Right now they all get the same. It is whatever the State decides.

So I would have to rise in objection to the Feingold amendment on the basis that it is contrary to the State prerogatives in this area, the State deference that we have given repeatedly over the years. It is contrary to that. It would be a Federal imposition of a homestead floor and it is contrary to a very fragile agreement we have reached in this body over what the homestead exemption should be. It could, in fact, jeopardize the successful passage of the bill.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Let me thank the Senator from Alabama, not only for his willingness to engage on the merits of this amendment, but for his willingness to engage on a number of difficult subjects, whether it be the homestead exemption or landlord-tenant issues. When the Senate takes up legislation, we typically start with a good discussion in committee, make some progress toward agreement, and then come to the floor. And when we go to the conference committee between the Houses, we also sometimes manage to come up with an agreement.

It is regrettable, through no fault of the Senator from Alabama, that in this case we are starting this process on the floor. I think had these amendments been taken seriously in committee, we could have found some common ground and not had to take up the time of the whole body, but this is where we are.

I do believe this amendment is a reasonable extension of something in which the Senator from Alabama is already involved. His principal concern about this amendment is apparently that we would be overriding State law in the area of homestead exemptions. But the Senator, as he has indicated, has been a party to an agreement that would do exactly that when it comes to the high end of homestead exemptions. It is not as if I picked a new area where I am suggesting that State laws are inadequate. What I am arguing is that if we are going to be dealing with some of these outrageous abuses of the bankruptcy system perpetrated by the very wealthy, let's also take the opportunity to make sure that the average senior citizen in this country, who desperately wants to protect their home and has to go into bankruptcy, has some minimum protection.

To me, this is not an extreme proposal. We only pass these bankruptcy bills once in a great while. As I understand it, the last one was passed in 1978. There clearly is a trend across the country in places like Maine and California, where legislators are recognizing that there is a special, severe problem for many of our seniors. I agree with the Senator from Alabama, it would be terrific if we could extend this protection to everybody. Perhaps that is something we should consider. But there is a particular problem when it comes to seniors, who have no way of making money anymore, and who are beset with unexpected medical bills,

whether it be prescription medicine or some other bills. They are stuck. They don't have any other way to save their home. This problem just cries out for a minimum Federal standard of the kind this amendment proposes.

I hope my colleagues consider this amendment. It is offered in good faith. It is not something that should in any way upend the overall bill because we have already engaged in a discussion about the changes that need to be made at the high end of the homestead exemption, and the bill already includes such a provision. So I ask my colleagues to give an independent and fresh look at this, given how important it is to senior constituents in every State of the Union.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

The PRESIDING OFFICER. In my capacity as a Senator from Ohio, I suggest the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from West Virginia.

UNLIMITED DEBATE IN THE SENATE

Mr. BYRD. Mr. President, in 1939, one of the most famous American movies of all time, "Mr. Smith Goes to Washington," hit the box office. Initially received with a combination of lavish praise and angry blasts, the film went on to win numerous awards and to inspire millions around the globe. The director, the legendary Frank Capra, in his autobiography, "Frank Capra: The Name Above the Title," cites this moving review of the film, appearing in the Hollywood Reporter, November 4, 1942:

Frank Capra's "Mr. Smith Goes to Washington," chosen by French Theaters as the final English language film to be shown before the recent Nazi-ordered countrywide ban on American and British films went into effect, was roundly cheered. . . .

Storms of spontaneous applause broke out at the sequence when, under the Abraham Lincoln monument in the Capital, the word, "Liberty," appeared on the screen and the Stars and Stripes began fluttering over the head of the great Emancipator in the cause of liberty.

Similarly, cheers and acclamation punctuated the famous speech of the young senator on man's rights and dignity. "It was . . . as though the joys, suffering, love and hatred, the hopes and wishes of an entire people who value freedom above everything, found expression for the last time. . . ."

For those who may not have seen it, "Mr. Smith" is the fictional story of one young Senator's crusade against forces of corruption and his lengthy filibuster—his lengthy filibuster—for the values he holds dear.

My, how things have changed. These days, Mr. Smith would be called an obstructionist. Rumor has it that there is a plot afoot to curtail the right of extended debate in this hallowed Chamber, not in accordance with its rules, mind you, but by fiat from the Chair—fiat from the Chair.

The so-called nuclear option—hear me—the so-called nuclear option—this morning I asked a man, What does nuclear option mean to you? He said: Oh, you mean with Iran? I was at the hospital a few days ago with my wife, and I asked a doctor, What does the nuclear option mean to you? He said: Well, that sounds like we're getting ready to drop some device, some atomic device on North Korea.

Well, the so-called nuclear option purports to be directed solely at the Senate's advice and consent prerogatives regarding Federal judges. But the claim that no right exists to filibuster judges aims an arrow straight at the heart of the Senate's long tradition of unlimited debate.

The Framers of the Constitution envisioned the Senate as a kind of executive council, a small body of legislators, featuring longer terms, designed to insulate Members from the passions of the day.

The Senate was to serve as a check on the executive branch, particularly in the areas of appointments and treaties, where, under the Constitution, the Senate passes judgment absent the House of Representatives.

James Madison wanted to grant the Senate the power to select judicial appointees with the Executive relegated to the sidelines. But a compromise brought the present arrangement: appointees selected by the Executive, with the advice and consent of the Senate confirmed. Note—hear me again—note that nowhere in the Constitution of the United States is a vote on appointments mandated.

When it comes to the Senate, numbers can deceive. The Senate was never intended to be a majoritarian body. That was the role of the House of Representatives, with its membership based on the populations of States. The Great Compromise of July 16, 1787, satisfied the need for smaller States to have equal status in one House of Congress, the Senate. The Senate, with its two Members per State, regardless of population, is, then, the forum of the States.

Indeed, in the last Congress—get this—in the last Congress 52 Members, a majority, representing the 26 smallest States, accounted for just 17.06 percent of the U.S. population. Let me say that again. Fifty-two Members, a majority, representing the 26 smallest States—two Senators per State—accounted for just 17.06 percent of the

U.S. population. In other words, a majority in the Senate does not necessarily represent a majority of the population of the United States.

The Senate is intended for deliberation. The Senate is intended for deliberation, not point scoring. The Senate is a place designed, from its inception, as expressive of minority views. Even 60 Senators, the number required under Senate rule XXII for cloture, would represent just 24 percent of the population if they happened to all hail from the 30 smallest States.

So you can see what it means to the smallest States in these United States to be able to stand on this floor and debate, to their utmost, until their feet will no longer hold them, and their lungs of brass will no longer speak, in behalf of their States, in behalf of a minority, in behalf of an issue that affects vitally their constituents.

Unfettered debate, the right to be heard at length, is the means by which we perpetuate the equality of the States. In fact, it was 1917, before any curtailing of debate was attempted, which means that from 1789 to 1917, there were 129 years; in other words, it means also that from 1806 to 1917, some 111 years, the Senate rejected any limits to debate. Democracy flourished along with the filibuster. The first actual cloture rule in 1917 was enacted in response to a filibuster by those people who opposed the arming of merchant ships. Some might say they opposed U.S. intervention in World War I, but to narrow it down, they opposed the arming of merchant ships.

But even after its enactment, the Senate was slow to embrace cloture, understanding the pitfalls of muzzling debate. In 1949, the 1917 cloture rule was modified to make cloture more difficult to invoke, not less, mandating that the number needed to stop debate would be not two-thirds of those present and voting but two-thirds of all Senators elected and sworn. Indeed, from 1919 to 1962, the Senate voted on cloture petitions only 27 times and invoked cloture just 4 times over those 43 years.

On January 4, 1957, Senator William Ezra Jenner of Indiana spoke in opposition to invoking cloture by majority vote. He stated with great conviction:

We may have a duty to legislate, but we also have a duty to inform and deliberate. In the past quarter century we have seen a phenomenal growth in the power of the executive branch. If this continues at such a fast pace, our system of checks and balances will be destroyed. One of the main bulwarks against this growing power is free debate in the Senate . . . So long as there is free debate, men of courage and understanding will rise to defend against potential dictators . . . The Senate today is one place where, no matter what else may exist, there is still a chance to be heard, an opportunity to speak, the duty to examine, and the obligation to protect. It is one of the few refuges of democracy. Minorities have an illustrious past, full of suffering, torture, smear, and even death. Jesus Christ was killed by a majority; Columbus was smeared; and Christians have been tortured. Had the United States Senate

existed during those trying times, I am sure that these people would have found an advocate. Nowhere else can any political, social, or religious group, finding itself under sustained attack, receive a better refuge.

Senator Jenner was right. The Senate was deliberately conceived to be what he called "a better refuge," meaning one styled as guardian of the rights of the minority. The Senate is the "watchdog" because majorities can be wrong and filibusters can highlight injustices. History is full of examples.

In March 1911, Senator Robert Owen of Oklahoma filibustered the New Mexico statehood bill, arguing that Arizona should also be allowed to become a State. President Taft opposed the inclusion of Arizona's statehood in the bill because Arizona's State constitution allowed the recall of judges. Arizona attained statehood a year later, at least in part because Senator Owen and the minority took time to make their point the year before.

In 1914, a Republican minority led a 10-day filibuster of a bill that would have appropriated more than \$50,000,000 for rivers and harbors. On an issue near and dear to the hearts of our current majority, Republican opponents spoke until members of the Commerce Committee agreed to cut the appropriations by more than half.

Perhaps more directly relevant to our discussion of the "nuclear option" are the 7 days in 1937, from July 6 to 13 of that year, when the Senate blocked Franklin Roosevelt's Supreme Court-packing plan—one of my favorite presidential

Earlier that year, in February 1937, FDR sent the Congress a bill drastically reorganizing the judiciary. The Senate Judiciary Committee rejected the bill, calling it "an invasion of judicial power such as has never before been attempted in this country" and finding it "essential to the continuance of our constitutional democracy that the judiciary be completely independent of both the executive and legislative branches of the Government." The committee recommended the rejection of the court-packing bill, calling it "a needless, futile, and utterly dangerous abandonment of constitutional principle . . . without precedent and without justification."

What followed was an extended debate on the Senate floor lasting for 7 days until the majority leader, Joseph T. Robinson of Arkansas, a supporter of the plan, suffered a heart attack and died on July 14. Eight days later, by a vote of 70 to 20, the Senate sent the judicial reform bill back to committee, where FDR's controversial, court-packing language was finally stripped. A determined, vocal group of Senators properly prevented a powerful President from corrupting our Nation's judiciary.

Free and open debate on the Senate floor ensures citizens a say in their government. The American people are heard, through their Senator, before their money is spent, before their civil

liberties are curtailed, or before a judicial nominee is confirmed for a lifetime appointment. We are the guardians, the stewards, the protectors of the people who send us here. Our voices are their voices.

If we restrain debate on judges today, what will be next: the rights of the elderly to receive social security; the rights of the handicapped to be treated fairly; the rights of the poor to obtain a decent education? Will all debate soon fall before majority rule?

Will the majority someday trample on the rights of lumber companies to harvest timber or the rights of mining companies to mine silver, coal, or iron ore? What about the rights of energy companies to drill for new sources of oil and gas? How will the insurance, banking, and securities industries fare when a majority can move against their interests and prevail by a simple majority vote? What about farmers who can be forced to lose their subsidies, or western Senators who will no longer be able to stop a majority determined to wrest control of ranchers' precious water or grazing rights? With no right of debate, what will forestall plain muscle and mob rule?

Many times in our history we have taken up arms to protect a minority against the tyrannical majority in other lands. We, unlike Nazi Germany or Mussolini's Italy, have never stopped being a nation of laws, not of men.

But witness how men with motives and a majority can manipulate law to cruel and unjust ends. Historian Alan Bullock writes that Hitler's dictatorship rested on the constitutional foundation of a single law, the Enabling Law. Hitler needed a two-thirds vote to pass that law, and he cajoled his opposition in the Reichstag to support it. Bullock writes that "Hitler was prepared to promise anything to get his bill through, with the appearances of legality preserved intact." And he succeeded.

Hitler's originality lay in his realization that effective revolutions, in modern conditions, are carried out with, and not against, the power of the State: the correct order of events was first to secure access to that power and then begin his revolution. Hitler never abandoned the cloak of legality; he recognized the enormous psychological value of having the law on his side. Instead, he turned the law inside out and made illegality legal.

That is what the nuclear option seeks to do to rule XXII of the Standing Rules of the Senate.

I said to someone this morning who was shoveling snow in my area: What does nuclear option mean to you?

He answered: Do you mean with Iran?

The people generally don't know what this is about. The nuclear option seeks to alter the rules by sidestepping the rules, thus making the impermissible the rule, employing the nuclear option, engaging a pernicious, procedural maneuver to serve immediate partisan goals, risks violating our Nation's core democratic values and poi-

soning the Senate's deliberative process.

For the temporary gain of a handful of out-of-the-mainstream judges, some in the Senate are ready to callously incinerate each and every Senator's right of extended debate. Note that I said each Senator. Note that I said every Senator. For the damage will devastate not just the minority party—believe me, hear me, and remember what I say—the damage will devastate not just the minority party, it will cripple the ability of each Member, every Member, to do what each Member was sent here to do—namely, represent the people of his or her State. Without the filibuster—it has a bad name, old man filibuster out there. Most people would be happy to say let's do away with him. We ought to get rid of that fellow; he has been around too long. But someday that old man filibuster is going to help me, you, and every Senator in here at some time or other, when the rights of the people he or she represents are being violated or threatened. That Senator is then going to want to filibuster. He or she is going to want to stand on his or her feet as long as their brass lungs will carry their voice.

No longer. If the nuclear option is successful here, no longer will each Senator have that weapon with which to protect the people who sent him or her here. And the people finally are going to wake up to who did it. They are going to wake up to it sooner or later and ask: Who did this to us?

Without the filibuster or the threat of extended debate, there exists no leverage with which to bargain for the offering of an amendment. All force to effect compromise between the parties will be lost. Demands for hearings will languish. The President can simply rule. The President of the United States can simply rule by Executive order, if his party controls both Houses of Congress and majority rule reigns supreme. In such a world, the minority will be crushed, the power of dissenting views will be diminished, and freedom of speech will be attenuated. The uniquely American concept of the independent individual asserting his or her own views, proclaiming personal dignity through the courage of free speech will forever have been blighted. This is a question of freedom of speech. That is what we are talking about—freedom of speech. And the American spirit, that stubborn, feisty, contrarian, and glorious urge to loudly disagree, and proclaim, despite all opposition, what is honest, what is true, will be sorely manacled.

Yes, we believe in majority rule, but we thrive because the minority can challenge, agitate, and ask questions. We must never become a nation cowed by fear, sheeplike in our submission to the power of any majority demanding absolute control.

Generations of men and women have lived, fought, and died for the right to map their own destiny, think their own thoughts, speak their own minds. If we

start here, in this Senate, to chip away at that essential mark of freedom—here of all places, in a body designed to guarantee the power of even a single individual through the device of extended debate—we are on the road to refuting the principles upon which that Constitution rests.

In the eloquent, homespun words of that illustrious, obstructionist, Senator Smith, in "Mr. Smith Goes to Washington":

Liberty is too precious to get buried in books. Men ought to hold it up in front of them every day of their lives and say, "I am free—to think—to speak. My ancestors couldn't. I can. My children will."

I yield the floor.

Mr. KENNEDY. Mr. President, I compliment my friend and colleague from West Virginia for his excellent comments about the responsibilities of the Senate under the Constitution and the implications of a parliamentary maneuver that would effectively undermine the constitutional rights of our Members to speak in accordance with the ways our Founding Fathers intended.

Once again, the Senator from West Virginia has spoken eloquently and passionately about this institution and about this Constitution. He is in this body the true student of the American Constitution. There is in this body no one who works to preserve the rights and responsibilities of this institution the way those rights of individuals in this institution, within the framework of the Constitution, were so intended.

We, once again, thank him and urge our colleagues in the Senate to pay close attention to his well thought out, reasoned, compelling, legitimate, and persuasive arguments.

They are enormously important because they reach the heart and soul of this institution and the heart and soul of the whole constitutional framework that our Founding Fathers drafted when they wrote the Constitution. It was an extraordinary contribution to the whole debate that takes place in this body from time to time about the authority and the powers of the institution and the individuals who are elected to serve. We all will benefit from reading his comments closely.

Mr. HATCH. Mr. President, as I listened to the distinguished Senator from West Virginia speak against filibuster reform, I wanted to make a few points that he did not say, at least as far as I could tell. I did not hear every word of his speech, but I did hear enough of it.

Number one, he did not say that killing judicial nominations by filibuster is part of Senate tradition, nor could he have said that because for the first time in history, we have had filibusters of judicial nominees. Only President Bush's judicial nominees have been filibustered by our colleagues on the other side, and in every case where they were filibustered, those nominees had majority support.

So filibustering judges is not a part of the tradition of the Senate, nor has it ever been.

Some have said that the Abe Fortas nomination for Chief Justice was filibustered. Hardly. I thought it was, too, until I was corrected by the man who led the fight against Abe Fortas, Senator Robert Griffin of Michigan, who then was the floor leader for the Republican side and, frankly, the Democratic side because the vote against Justice Fortas, preventing him from being Chief Justice, was a bipartisan vote, a vote with a hefty number of Democrats voting against him as well. Former Senator Griffin told me and our whole caucus that there never was a real filibuster because a majority would have beaten Justice Fortas outright. Lyndon Johnson, knowing that Justice Fortas was going to be beaten, withdrew the nomination. So that was not a filibuster. There has never been a tradition of filibustering majority supported judicial nominees on the floor of the Senate until President Bush became President.

Number two, if I recall it correctly, the distinguished Senator from West Virginia did not say ruling such filibusters out of order is against the rules. I do not believe he said that because it is not against the rules. At least four times in the past, some of which occurred when Senator BYRD, the distinguished Senator from West Virginia, was the majority leader in the Senate, there have been attempts to change the Senate's rules on the filibuster. Admittedly, I think in some of those cases the Senate backed down and changed the rules, but the effort was made to change the rules, and in the eyes of the Senator from West Virginia and others they should have and could have been changed by majority vote.

Let me say, in fact, all of the examples the Senator from West Virginia cited of legislative filibusters would not be affected by the constitutional option. That is a constitutional option that would allow judicial nominees an up-or-down vote.

That is a very important distinction because never before have judicial nominees been filibustered. Never before has one side or the other, in an intemperate way, decided to deprive the Senate as a whole from not just its advice function, but its consent function. We consent, or withhold that consent, when we vote up or down on these nominees.

Filibustering against the legislative calendar items has been permitted since 1917, and with good reason. I, for one, agree that this is a very good rule. But those filibusters happen on the legislative calendar. That is the calendar of the Senate; it is our legislative responsibility. The filibuster rule, Rule XXII, is to protect the minority. Frankly, I would fight for that rule with everything I have. But executive nominees, filibustering on the executive calendar is an entirely different situation. And it is one that was not addressed in Senator BYRD's remarks.

I myself had never looked at this very carefully until this onslaught of

filibusters against 11 appellate court judges took place on this floor. Then I started to look at it, and others have, too, and we now realize there is a real disregard of a constitutional principle by these unwarranted and, I think, unjustified and unconstitutional filibusters. In these particular cases, every one of those people—every one—had a bipartisan majority waiting to vote on the floor. This distinction is ultimately the critical one. Should a minority be able to permanently prevent a vote on a majority supported judicial nominee? I think the answer is clearly no, and there is nothing in the distinguished Senator from West Virginia's remarks that contradict that conclusion.

BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

AMENDMENT NO. 15

Mr. AKAKA. Mr. President, I rise to speak on amendment No. 15, which I will offer to S. 256.

I thank Senators DURBIN, LEAHY, and SARBANES for working with me on this legislation, the Credit Card Minimum Payment Warning Act, and for cosponsoring the amendment.

Mr. President, during all of 1980, only 287,570 consumers filed for bankruptcy. As consumer debt burdens have ballooned, the number of bankruptcies have increased significantly. From January through September of 2004, approximately 1.2 million consumers filed for bankruptcy, keeping pace with last year's record level. The growth in use of credit cards can partially explain this surge. Revolving debt, mostly compromised of credit card debt, has risen from \$54 billion in January 1980 to more than \$780 billion in November 2004. A U.S. Public Interest Research Group and Consumer Federation of America analysis of Federal Reserve data indicates that the average household with debt carries approximately \$10,000 to \$12,000 in total revolving debt.

We must make consumers more aware of the long-term effects of their financial decisions, particularly in managing their credit card debt, so that they can avoid financial pitfalls that may lead to bankruptcy.

While it is relatively easy to obtain credit, not enough is done to ensure that credit is properly managed. Currently, credit card statements fail to include vital information that would allow individuals to make fully informed financial decisions. Additional disclosure is needed to ensure that individuals completely understand the implications of their credit card use and the costs of only making the minimum payments as required by credit card companies.

S. 256 includes a requirement that credit card issuers provide additional information about the consequences of making minimum payments. However,

this provision fails to provide the detailed information for consumers on their billing statement that our amendment would provide. Section 1301 of the bankruptcy bill would allow credit card issuers a choice of disclosures that they must provide on the monthly billing statement.

The first option included in the bankruptcy bill would require a "Minimum Payment Warning" stating that it would take 88 months to pay off a balance of \$1,000 for bank card holders or 24 months to pay off a balance of \$300 for retail card holders. It would require a toll-free number to be established that would provide an estimate of the time it would take to pay off the customer's balance. The Federal Reserve Board would be required to establish a table that would estimate approximate number of months it would take to pay off a variety of account balances.

There is a second option that the legislation permits. The credit card issuer could provide a general minimum payment warning and provide a toll-free number that consumers could call for the actual number of months to repay the balance.

Both of these options are inadequate. They do not require the issuers to provide their customers with the total amount they would pay in interest and principal if they chose to pay off their balance at the minimum payment rate. The minimum payment warning included in the first option underestimates the costs of paying a balance off at the minimum payment. Since the average household with debt carries a balance has approximately \$10,000 to \$12,000 in total revolving debt, a warning based on a much smaller balance, \$1,000 or under in this case, will not be helpful. If a family has a credit card debt of \$10,000, and the interest rate is a modest 12.4 percent, it would take more than 10½ years to pay off the balance while making minimum monthly payments of 4 percent.

As we make it more difficult for consumers to discharge their debts in bankruptcy, we have a responsibility to provide additional information so that consumers can make better informed decisions. Our amendment will make it very clear what costs consumers will incur if they make only the minimum payments on their credit cards. If this amendment is adopted, the personalized information they will receive for each of their accounts will help them to make informed choices about the payments that they choose to make towards reducing their outstanding debt.

This amendment requires a minimum payment warning notification on monthly statements stating that making the minimum payment will increase the amount of interest that will be paid and extend the amount of time it will take to repay the outstanding balance. The amendment also requires companies to inform consumers of how many years and months it will take to repay their entire balance if they make

only the minimum payments. In addition, the total cost in interest and principal, if the consumer pays only the minimum payment, would have to be disclosed. These provisions will make individuals much more aware of the true costs of their credit card debts. The amendment also requires that credit card companies provide useful information so that people can develop strategies to free themselves of credit card debt. Consumers would have to be provided with the amount they need to pay to eliminate their outstanding balance within 36 months.

Finally, our amendment would require that creditors establish a toll-free number so that consumers can access trustworthy credit counselors. In order to ensure that consumers are referred from the toll-free number to only trustworthy organizations, the agencies for referral would have to be approved by the Federal Trade Commission and the Federal Reserve Board as having met comprehensive quality standards. These standards are necessary because certain credit counseling agencies have abused their non-profit, tax-exempt status and have taken advantage of people seeking assistance in managing their debts. Many people believe, sometimes mistakenly, that they can place blind trust in non-profit organizations and that their fees will be lower than those of other credit counseling organizations. Too many individuals may not realize that the credit counseling industry does not deserve the trust that consumers often place in it.

Our credit card minimum payment warning legislation has been endorsed by the Consumer Federation of America, Consumers Union, U.S. Public Interest Research Group, and Consumer Action.

I urge my colleagues to support this amendment that will empower consumers by providing them with detailed personalized information to assist them in making better informed choices about their credit card use and repayment. This amendment makes clear the adverse consequences of uninformed choices, such as making only minimum payments, and provides opportunities to locate assistance to better manage their credit card debts.

Mr. President, I ask unanimous consent that the pending amendment be set aside, and I call up amendment No. 15.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. AKAKA], for himself, Mr. DURBIN, Mr. LEAHY, and Mr. SARBANES, proposes an amendment numbered 15.

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

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

The amendment is as follows:

(Purpose: To require enhanced disclosure to consumers regarding the consequences of making only minimum required payments in the repayment of credit card debt, and for other purposes)

On page 473, strike beginning with line 12 through page 482, line 24, and insert the following:

SEC. 1301. ENHANCED CONSUMER DISCLOSURES REGARDING MINIMUM PAYMENTS.

(a) DISCLOSURES REGARDING OUTSTANDING BALANCES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

“(11)(A) Information regarding repayment of the outstanding balance of the consumer under the account, appearing in conspicuous type on the front of the first page of each such billing statement, and accompanied by an appropriate explanation, containing—

“(i) the words ‘Minimum Payment Warning: Making only the minimum payment will increase the amount of interest that you pay and the time it will take to repay your outstanding balance.’;

“(ii) the number of years and months (rounded to the nearest month) that it would take for the consumer to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments;

“(iii) the total cost to the consumer, shown as the sum of all principal and interest payments, and a breakdown of the total costs in interest and principal, of paying that balance in full if the consumer pays only the required minimum monthly payments, and if no further advances are made;

“(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made; and

“(v) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

“(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made.

“(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision specifying a subsequent interest rate or applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then shall apply the adjusted interest rate, as specified in the contract. If the contract applies a formula that uses an index that varies over time, the value of such index on the date on which the disclosure is made shall be used in the application of the formula.”.

(b) ACCESS TO CREDIT COUNSELING AND DEBT MANAGEMENT INFORMATION.—

(1) GUIDELINES REQUIRED.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System and the Federal Trade Commission (in this section referred to as the “Board” and the “Commission”, respectively) shall jointly, by rule, regulation, or order, issue guidelines for the establishment and maintenance by creditors of a toll-free telephone number for purposes of the disclosures required under section 127(b)(11) of the Truth in Lending Act, as added by this Act.

(B) APPROVED AGENCIES.—Guidelines issued under this subsection shall ensure that referrals provided by the toll-free number include only those agencies approved by the Board and the Commission as meeting the criteria under this section.

(2) CRITERIA.—The Board and the Commission shall only approve a nonprofit budget and credit counseling agency for purposes of this section that—

(A) demonstrates that it will provide qualified counselors, maintain adequate provision for safekeeping and payment of client funds, provide adequate counseling with respect to client credit problems, and deal responsibly and effectively with other matters relating to the quality, effectiveness, and financial security of the services it provides;

(B) at a minimum—

(i) is registered as a nonprofit entity under section 501(c) of the Internal Revenue Code of 1986;

(ii) has a board of directors, the majority of the members of which—

(I) are not employed by such agency; and

(II) will not directly or indirectly benefit financially from the outcome of the counseling services provided by such agency;

(iii) if a fee is charged for counseling services, charges a reasonable and fair fee, and provides services without regard to ability to pay the fee;

(iv) provides for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

(v) provides full disclosures to clients, including funding sources, counselor qualifications, possible impact on credit reports, any costs of such program that will be paid by the client, and how such costs will be paid;

(vi) provides adequate counseling with respect to the credit problems of the client, including an analysis of the current financial condition of the client, factors that caused such financial condition, and how such client can develop a plan to respond to the problems without incurring negative amortization of debt;

(vii) provides trained counselors who—

(I) receive no commissions or bonuses based on the outcome of the counseling services provided;

(II) have adequate experience; and

(III) have been adequately trained to provide counseling services to individuals in financial difficulty, including the matters described in subparagraph (F);

(viii) demonstrates adequate experience and background in providing credit counseling;

(ix) has adequate financial resources to provide continuing support services for budgeting plans over the life of any repayment plan; and

(x) is accredited by an independent, nationally recognized accrediting organization.

The PRESIDING OFFICER (Mr. CHAMBLISS). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have a lot of urgent problems pressing the Nation and this Congress. We have urgent problems with joblessness. We have urgent problems with the coverage of health care and the costs of health care. We have urgent problems with education. We have urgent problems dealing with poverty. We have problems that go to the heart of fairness and opportunity in this Nation. These are real problems of real people, and they test whether our commitment to America's core values is as important to us as we say it is. But we are not spending this month on any of those issues. We are spending most of the time between now and the March recess on a bill that does nothing about any of these problems, that does nothing for Americans facing job problems,

health problems, and education challenges. We are spending our time on a bill that was written by the credit card industry for the benefit of the credit card industry. We are spending our time on changes in the bankruptcy law which were opposed by the two distinguished national commissions which studied those laws during the 1970s and 1990s.

This is a bill which is opposed by a long list of organizations representing many millions of real people, organizations representing workers, retired Americans, consumers, women's organizations, civil rights organizations, a large group of distinguished law professors and bankruptcy judges, 1,700 prominent doctors around the country, and even some financial service organizations that are truly responsible lenders and care about their customers. I am talking about people such as the CEO of ING Direct, the sixth largest thrift institution in the Nation; people like the CEO of the second largest credit union in the U.S., the North Carolina State Employees' Credit Union.

This is what the CEO of ING Direct told the committee about the bill:

The one-sided provisions of this bankruptcy legislation are bad news for consumers, but they are also bad news for the financial service industry. Consumers are our customers. By creating a form of debt imprisonment, this bill will hobble the most important player in the world economy, the American consumer.

Jim Blaine, the CEO of the North Carolina State Employees' Credit Union, had this to say about the bill:

This bird is a turkey.

So why are we here? Why are we spending our time on this supposed resolution to a nonexistent problem rather than addressing the real problems the Nation faces? It cannot be because the credit card industry needs help. The credit card industry is doing just fine, thank you. The profits of the credit card industry rose from \$6.4 billion in 1990 to \$20 billion in 2000. By last year, those profits had increased another 50 percent to over \$30 billion. Let me say that again. Credit card company profits have gone from \$6.4 billion in 1990 to \$30.2 billion last year. Why are we spending our time on legislation designed to further enrich what is already one of the most profitable industries in America at the expense of middle-income Americans in financial distress, in most cases through no fault of their own?

This is supposed to be a bill about spendthrifts, about people who abuse the credit system and abuse the bankruptcy system. If that were really what this bill was about, maybe there would be some reason for us to be here. If this were a bill that dealt with the truly incredible abuses of the bankruptcy system that we have seen in the Enron case, in the WorldCom case, in the Adelphia case, and the Polaroid case in my own State, then maybe there would be reason to be spending our time working on this bill.

Look at the Polaroid case in my home State of Massachusetts. Polaroid filed for bankruptcy in 2001. In the months leading up to the company's filing, the corporation made \$1.7 million in incentive payments to its chief executive Gary DiCamillo on top of his \$840,000 base salary. The company also received bankruptcy court approval to make \$1.5 million in payments to senior managers to keep them on board. These managers collectively received an additional \$3 million when the company's assets were sold off.

By contrast, just days before Polaroid filed for bankruptcy, it canceled health and life insurance for more than 6,000 retirees and canceled health insurance coverage for workers on long-term disability. It also stopped certain benefits for thousands of workers who were recently laid off. Polaroid workers had been required to pay 8 percent of their pay in the company's employee stock ownership plan, the ESOP programs. When the company declined, their retirement savings were virtually wiped out. Now, that is a real abuse of the bankruptcy system.

But this bill is not about consumers who abuse the system. It is not about corporate executives who have exploited the system to line their own pockets. This is a bill for which the credit card industry hopes to squeeze a few extra dollars a month out of Americans who are out on their luck, people who have been hit hard by medical disasters, guardsmen and reservists who have suddenly been called to duty to serve their Nation, forcing them to leave their families and their businesses behind, people who were fired after years of hard work because their employer sent their jobs abroad. This is not what the Senate should be doing. This legislation is not worthy of the Senate. Our time should be spent helping, not hurting, the working families most in need.

This bill does nothing to protect those hard-working Americans who did everything they could to stave off bankruptcy but were left with no other choice after exhausting their own resources. Yet this Republican bill actually makes it more difficult for good citizens such as these to get the fresh start that the bankruptcy laws are intended to offer.

The idea of a fresh start lies at the heart of our bankruptcy law. In 1833, Supreme Court Justice Joseph Storey, one of the great legal scholars in our history, explained why. He said that bankruptcy laws were intended to divide debtors' remaining assets among their creditors when they could not pay all of their debts, but the purpose was also to relieve unfortunate and honest debtors from perpetual bondage to their creditors. He said that bankruptcy legislation should relieve the debtor from a slavery of mind and body which robs his family of the fruits of his labor.

One hundred years later, the Supreme Court emphasized Justice Sto-

ry's views. The Bankruptcy Act, it said, is intended to:

relieve the honest debtor from the weight of oppressive indebtedness, and permit him to start afresh free from the obligations and responsibilities consequent upon business misfortunes.

The power to earn a living, the Court said, is a "personal liberty," and:

from the viewpoint of the wage-earner there is little difference between not earning at all and earning wholly for a creditor.

In short, the same fundamental values which led this Nation to abolish debtors' prisons, also led us to offer debtors a fresh start. They would be required to use their available assets to pay as much of their debt as they could, but no more. They would have full rights to their own future earnings, so that they would not have to live in perpetual bondage to their past debtors.

That is the essence of our free enterprise system. We encourage entrepreneurs. People can borrow money for a car to go to work, for equipment to start a small business, for a tractor to run a farm, for a boat to start a fishing business. When decent people run into financial trouble, we don't write them off forever. We help them get back on their feet so they can provide for their families and contribute to our economy once again. Otherwise, few in America take the risks that our free enterprise depends on. There is a safety net to stop a free fall.

Yet this legislation turns its back on that spirit of American entrepreneurship. It tells our citizens that they cannot get that fresh start unless they can maneuver through a maze of procedural obstacles created by the credit card companies and debt collection agencies. It imposes paperwork burdens that bankrupt Americans can not afford. It forces them to pay for credit counselors, who may be predatory themselves. It forces them to miss work to go to audits of their meager assets. It requires them to hire a lawyer to mitigate this maze, but then tells the lawyer that any error will make the lawyer personally liable.

In short, this bill does everything the mind of the purveyors of predatory plastic could think up to make their cardholders pay in full, and prevent them from getting the "fresh start" that bankruptcy offers them. Its purpose is to keep the credit card payments rolling in, and prevent that money from being used to feed their children or pay their hospital bills or make their mortgage payments. It labels them as abusers of the system.

Just listen to the words in the summary of the key standard for the "means test" that lies at the heart of this bill. According to this summary, prepared by the Congressional Research Service, you are presumed to be an abuser of the system:

if current monthly income, excluding allowed deductions, secured debt payments, and priority unsecured debt payments, multiplied by 60, would permit a debtor to pay

not less than the lesser of (a) 25 percent of nonpriority unsecured debt or \$6000 (or \$100 a month), whichever is greater, or (b) \$10,000.

Maybe some people can figure that out—most cannot. But that convoluted paragraph determines whether your debts can be discharged in bankruptcy, or not.

This bill is flawed from top to bottom. That is why, since it was first presented to Congress by the credit card industry, it has been opposed by bankruptcy judges, legal scholars, consumer advocates, labor unions, and civil rights groups. They all recognize that its harsh and excessive provisions will have a devastating effect on working families.

It allows credit card companies to put their profits ahead of the well-being of our troops serving in Iraq and Afghanistan. Since 9–11 about half a million reservists arid members of the National Guard have been called to active duty, half a world away from their homes and businesses. Many of their families are suddenly facing economic hardship, and their creditors keep calling. They are serving far away, and the small businesses they ran are running into trouble. This bill does nothing to protect the men and women who are fighting for us.

When one reservist left home, his wife had to start leading his construction company, and the company ran into trouble. Their family income plummeted by 80 percent. They lost their savings, lost their credit, and the business is on the rocks—all because a soldier served his country. The troubles of families like that will be even more serious under this bill. Instead of helping to ease the burden, it treats that family like tax evaders or defrauders.

This Republican bill also penalizes innocent victims of today's economy. We are still recovering from the 2001 recession. Nearly 8 million Americans are still unemployed. One in five of those workers has been out of work for more than 6 months. The unemployment insurance safety net they rely on has not been updated to meet today's demands. Jobs in health care, financial services, and information technology are being shipped overseas.

Workers who lose their jobs today have great difficulty finding a new job with comparable wages, benefits, hours, and overall quality. Part-time jobs don't begin to provide the same financial stability—yet today's companies are relying more and more on part-time workers to cut costs. The average part-time worker earns \$4 an hour less than a regular full-time worker. Few part-time workers have a health insurance plan or a pension plan.

Huge numbers of working families are being squeezed hard by the current economy. Their ability to live the American dream is increasingly out of reach with each passing year. They find it harder and harder to earn a living—to pay the mortgage, pay the rent,

pay their medical bill, pay their food bill, pay their gasoline bill, pay the college bill. Yet the cost of getting by continues to rise faster than family income.

Healthcare costs are out of reach. Health insurance premiums have soared 59 percent in the past 4 years. Drug costs have soared 65 percent.

Housing costs rose 33 percent in the last 4 years. Child care can often cost up to \$10,000 a year for one child—more than the cost of tuition at a public college. College costs are rising at double-digit rates. Tuition at public colleges has risen 35 percent in the last 4 years.

Today, hardworking families are balancing on a precarious tower of bills that keep piling. Inevitably, many topple over. They go into debt just to get by. The average family now spends 13 percent of its income to pay debts—the highest percentage since 1986. The average household now has more than \$8,000 in credit card debt. More than half of all Americans acknowledge they have too much debt. Three-quarters of that debt is a major reason it's harder to achieve the American dream today. It is no wonder so many families face bankruptcy.

This year, more people will end up in bankruptcy than suffer a heart attack. More people will file for bankruptcy than graduate from college. More children will grow up in families facing bankruptcy than in families facing divorce.

Many of us feel the Bush administration is bankrupt in more ways than one. Its reckless policies are bankrupting the economy and literally bankrupting millions of families. Bankruptcy is up 33 percent since President Bush took office. An American now goes bankrupt every 19 seconds. In Massachusetts, there is a bankruptcy every half hour.

One of the greatest weaknesses of this bill is its failure to address the issue of bankruptcies caused by serious illness or injury. Illness is bankrupting millions of Americans who have done everything right. They have worked hard, played by the rules, earned a good salary, saved their money, even purchased health insurance—only to find all that is not enough.

More than half of all families facing bankruptcy today are facing it because of overwhelming medical costs. They are not irresponsible spendthrifts who bought too much at the mall, or were enticed to go in over their heads in debt by a credit card solicitation they couldn't say no to. They are facing bankruptcy because of a sudden serious illness or a severe injury that caused a mountain of debt they couldn't afford.

The average American facing a serious illness is burdened with more than \$13,000 of out-of-pocket expenses, even though they have health insurance. If you have cancer, it is \$35,000. That is money you have to pay out of your own pocket for expenses not covered by your health insurance.

If the bill before us passes, those fellow citizens will be penalized twice—

once by the failure of the health care system and a second time by the failure of the bankruptcy laws. This bill will only make the second failure even worse.

We need to make sure that bankruptcy continues to be available as a safety net for those Americans—men and women who have spent down their savings on a serious injury or illness, who face huge doctor and hospital bills their insurance didn't cover, who are unable to go back to work after suffering serious medical problems.

They are people such as April Wetherell, a 50-year-old woman from Toms River, NJ, who went back to school after raising her children and received her master's degree in social work. She was serving as a visiting nurse 2 years ago, when she suffered a stroke while recovering from knee surgery. The stroke left her unable to speak, work, or care for her own needs. At the time, April still owed \$25,000 in student loans. She had been making payments faithfully on her student loans until her illness left her unable to return to her job. Her health insurance did not cover all her medical costs, and she was left with more than \$20,000 in unpaid medical bills. At the time of her stroke, she had about \$7,000 in credit card debt, which she had been paying off on time. Even though she had done all the right things, she was forced into bankruptcy because of her serious, incapacitating illness.

Walton Pinkney of Frederick, MD, has been an electrician for more than 10 years. He changed jobs in 2000, and his new employer did not provide health benefits for the first 90 days of employment. Sadly, Walton suffered heart failure during his first month on his new job. His new health plan had not yet taken effect, and he was responsible for more than \$45,000 in medical expenses for his heart condition. He tried to return to work, but his employer said his health was too uncertain for him to return. Faced with large medical bills he could not pay after he lost his job, he had to file for bankruptcy in 2003.

Zoraya Marrero is a single mother with three children from Woodbridge, VA. Her oldest child suffers from spina bifida. She received State disability benefits and medical coverage for her child due to the illness. After moving to another State 5 years ago, she no longer qualified for new benefits, and she also had to pay back \$60,000 for benefits she had already received. She has been fighting the \$60,000 claim and paying her own medical expenses while working in a doctor's office. She cannot afford private insurance, and cannot afford to pay for her son's costly medical care. Overwhelmed by debt, she filed for bankruptcy.

These people had no intention of seeking relief in bankruptcy. They were not "gaming" the system to avoid their responsibilities. They and millions of other Americans in similar circumstances filed for bankruptcy, but

only after they had exhausted all the other options—not because they wanted to but because they had to.

In fact, before declaring bankruptcy, they had spent at least 2 years, on average, making very real sacrifices in a futile effort to pay for their health care and make ends meet. One in five went without food. Almost one-third had their electricity shut off.

I am talking about individuals who went into bankruptcy as a result of medical expenses, even though about 65 percent of them had health insurance before they actually went into bankruptcy. That is what they did, according to the Elizabeth Warren report from the Harvard Law School.

One in five went without food, almost a third had their electricity shut off, almost half lost their phone service, many went without needed medical care, and some even moved their elderly parents to less comfortable nursing homes.

As this chart indicates, here is what has happened to the lavish lifestyle of our fellow citizens. These are half of all the bankruptcies at the present time. How did they live, and what did they do for 2 years before filing for bankruptcy? They went without needed medical care, 61 percent; without doctors, 50 percent; utilities turned off, 30 percent; without food, 22 percent; and 70 percent moved their elderly parents to cheaper care facilities.

These are our fellow Americans whom we want to punish with this bankruptcy bill? If you want to go after the spendthrifts, let us do that. But do you think we are going after corporate America in this bankruptcy bill? Read today's newspaper. Here it is: Former WorldCom chief executive, once hailed as one of the most brilliant telecommunications executives, told the packed courtroom, "I don't know about technology; I don't know about finance; also, I don't know about accounting."

There it is. The corporate CEOs will be able to escape.

But do you think these hard-working Americans are going to be able to escape anything with this bill at all to deal with WorldCom, Enron, Polaroid? There is absolutely nothing in here. Yet there is the result of what this legislation does.

Generally around here, we have legislation that is reasonably balanced. Not this piece of legislation. The most profitable industry in the country, 100-percent profits in the last 5 years, and they are out there trying to squeeze some additional money out of these hard-working Americans. I would have thought at least a majority who were going to write this legislation here in the Senate would have tried to do something about corporate bankruptcies. But, no, no. They are letting those individuals alone, and most of those—we come back a little later to discuss how they profited—a number of them even profited after they went into bankruptcy. There is even one in-

dividual who profited after he was convicted of larceny. But we are not dealing with those particular issues.

We often talk in America about safety nets. Social Security is a safety net to guarantee financial security for senior citizens. Poverty programs are safety nets for children and families. Our bankruptcy laws are a safety net for millions of families, too.

Americans who live responsibly, do everything right, and still suddenly fall on hard times deserve a second chance, and the bankruptcy laws give them that chance. They can make a fresh start and pull themselves back up. They have renewed hope for the future.

Unexpected financial setbacks for families should not mean the end of their American dream. They should not lose all hope for themselves and their children. It's the old "cowboy up" philosophy—when you fall off your horse, you pick yourself up, dust yourself off, and start all over again.

When disaster strikes, when storms buffet a community, Americans respond. We see the images on television and immediately we send a donation to help out. That's the American spirit.

But when financial disaster strikes a family—when a business collapses, when medical bills pile up, when a reservist is called up for extended active duty, when workers lose their jobs because of a plant closing or outsourcing—the economic catastrophes can be hidden from view. That is where our bankruptcy laws come in. We got rid of debtors' prisons almost two centuries ago for a reason. It is the American spirit to help these families through financial disasters.

But this bill will destroy that financial safety net for many, many citizens who deserve help.

This legislation is a bonanza for banks and credit card companies, and a nightmare for millions of average Americans. It rewrites the bankruptcy laws in a way that kicks average families while they're down, in order to pad the already high profits of the credit card industry and other lenders. It is greed, pure and simple.

Predatory credit card companies are doing all they can to urge unsuspecting citizens to pile up huge debts on their credit cards. They especially target the elderly, college students, and the working poor. They advertise nationwide. They send out billions of solicitations every year to entice more people to sign up for their cards. The bold type talks about the minimum monthly payments—but you have to read the fine print to see the exorbitant interest payments that inevitably result.

You cannot go to any college campus, any sporting event, or your mailbox without being solicited for another credit card, no matter how many you already have. Young students, still in their teens, are greeted with a deluge of offers from credit card companies. Before they buy books and find the cafeteria, they see credit card offers with credit limits in the thousands of dollars.

So, in many cases, the very same companies that have been trying to get a bill like this passed for decades and had their lobbyists write this bill for them in 1997, are the ones who caused the indebtedness that they now complain about.

Does this bill do anything about that? Absolutely not.

A lot has changed since the Senate last looked at this bill 4 years ago. Health costs are way up, health insurance protection is less obtainable and less affordable, hundreds of thousands of families have suffered economically from military callups, unemployment insurance has not been updated.

The economy is still working its way out of a serious downturn. Corporate mismanagement and fraud have become a way of life in the highest echelons of corporate America.

So I say to each of our colleagues, please consider who wrote this bill and why. Please think about your hard-working constituents who will be dealt a double whammy by this bill if they fall on hard times. Please think about what has happened since we last considered the bill. Please keep an open mind as we discuss the serious problems with this bill and the need for many substantial revisions and additions before it is ready to even be considered for adoption by this body.

We do not work for the credit card companies; we work for our constituents. We can do better than this bill for our constituents, and we must do better than this bill for those we represent.

Mr. President, I will unanimously consent to have printed in the RECORD some of the letters opposing the bill. I will not include all of the letters, but I am going to quote from some of them at this time.

First of all, I refer to a letter from ING Direct to the American Bankers Association urging them to reconsider their support for the bill:

As a member of the American Bankers Association, ING Direct urges you to reconsider your wholesale support for the Bankruptcy Reform Bill currently before the United States Senate. . . . Yet this legislation has not received a thorough review in the last 4 years. It has simply been re-proposed without careful thought. . . . It actually encourages further bad lending decisions by removing an important market discipline—the possibility of a clean bankruptcy. Without important changes, millions of consumers, who might otherwise be encouraged into debt by aggressive credit card companies and other lending. They will be unable to clear their names, even if they fall into debt because of an illness or an economic downturn that costs them their employment.

We at ING Direct believe this country is still willing to give working Americans—the engine of our economy, a second chance when debt overwhelms them. This bill seriously limits that second chance. The one-sided provisions of this bankruptcy legislation are bad news for most Americans. But they are also bad news for the financial services industry. By creating a form of debt imprisonment, this bill will hobble the most important player in the world economy—the

American working family. For all these reasons, we ask you to reconsider the ABA's support of this bill in its current incarnation.

This is written by Arkadi Kuhlmann who is the president of the company. It is the sixth largest thrift savings company in the country.

The second letter is from the Consumers Union:

Much evidence suggests that rising consumer bankruptcies are tied to abusive lending practices by creditors. Yet this bill does nothing to address this fundamental problem. Instead, the bill protects predatory lenders who offer credit, with abusive repayment terms, to high-risk consumers. It also provides creditors with additional opportunities to employ strong-arm collection tactics, threatening debtors with new, costly litigation.

Furthermore, the bill protects credit card companies who fail to disclose the true cost of credit they provide to college students and others, who may quickly find themselves trapped in serious debt, ruining their credit ratings for years to come.

This is what they are pointing out.

Furthermore, the bill protects credit card companies who fail to disclose the true cost of credit they provide to college students and others who may quickly find themselves trapped in serious debt, ruining their credit rating for years to come.

I will include those sections. The list goes on. I have a number of letters and communications from consumer groups, from women's groups, children's groups, and from the doctors association that has been formed to bring focus and attention to the impact of this legislation and medical bills on families. I will also include in the RECORD a letter from one of the largest credit unions in the country from North Carolina. I ask unanimous consent that several of these letters be printed in the RECORD.

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

NATIONAL WOMEN'S LAW CENTER,
Washington, DC, February 23, 2005.

Re: Oppose S. 256, The Bankruptcy Act of 2005

DEAR SENATOR: The National Women's Law Center is writing to urge you to oppose S. 256, a bankruptcy bill that is harsh on economically vulnerable women and their families, but that fails to address serious abuses of the bankruptcy system by perpetrators of violence against patients and health care professionals at women's health care clinics.

This bill would inflict additional hardship on over one million economically vulnerable women and families who are affected by the bankruptcy system each year: those forced into bankruptcy because of job loss, medical emergency, or family breakup—factors which account for nine out of ten filings—and women who are owed child or spousal support by men who file for bankruptcy. Contrary to the claims of some proponents of the bill, low- and moderate-income filers—who are disproportionately women—are not protected from most of its harsh provisions, and mothers owed child or spousal support are not protected from increased competition from credit card companies and other commercial creditors during and after bank-

ruptcy that will make it harder for them to collect support.

The bill would make it more difficult for women facing financial crises to regain their economic stability through the bankruptcy process. S. 256 would make it harder for women to access the bankruptcy system, because the means test requires additional paperwork of even the poorest filers; harder for women to save their homes, cars, and essential household items through the bankruptcy process; and harder for women to meet their children's needs after bankruptcy because many more debts would survive.

The bill also would put women owed child or spousal support who are bankruptcy creditors at a disadvantage. By increasing the rights of many other creditors, including credit card companies, finance companies, auto lenders and others, the bill would set up an intensified competition for scarce resources between mothers and children owed support and these commercial creditors during and after bankruptcy. The domestic support provisions in the bill may have been intended to protect the interests of mothers and children; unfortunately, they fail to do so.

Moving child support to first priority among unsecured creditors in Chapter 7 sounds good, but is virtually meaningless; even today, with no means test limiting access to Chapter 7, fewer than four percent of Chapter 7 debtors have anything to distribute to unsecured creditors. In Chapter 13, the bill would require that larger payments be made to many commercial creditors; as a result, payments of past-due child support would have to be made in smaller amounts and over a longer period of time, increasing the risk that child support debts will not be paid in full. And, when the bankruptcy process is over, women and children owed support would face increased competition from commercial creditors. Under current law, child and spousal support are among the few debts that survive bankruptcy; under this bill, many additional debts would survive. But once the bankruptcy process is over, the priorities that apply during bankruptcy have no meaning or effect. Women and children owed support would be in direct competition with the sophisticated collection departments of commercial creditors whose surviving claims would be increased.

At the same time, the bill fails to address real abuses of the bankruptcy system. Perpetrators of violence against patients and health care professionals at women's health clinics have engaged in concerted efforts to use the bankruptcy system to evade responsibility for their illegal actions. This bill does nothing to curb this abuse.

The bill is profoundly unfair and unbalanced. Unless there are major changes to S. 256, we urge you to oppose it.

Very truly yours,

NANCY DUFF CAMPBELL,
Co-President.

MARCIA GREENBERGER,
Co-President.

JOAN ENTMACHER,
Vice President and Director, Family Economic Security.

NATIONAL CONSUMER LAW CENTER INC.,
Boston, MA, February 28, 2005.

DEAR SENATOR: The National Consumer Law Center, on behalf of its low income clients, writes to express our strong opposition to S. 256, the "Bankruptcy Abuse and Consumer Protection Act of 2005." This bill would hurt many Americans who are facing financial problems due to job loss, transition to lower paying jobs, divorce, child-rearing, lack of medical insurance, or predatory lending practices. Although the economy has im-

proved recently for some American families, there are millions of other families that continue to struggle. In fact, real incomes have declined since 1989 for the lowest 60 percent of the American population—including especially single parent households. S. 256 contains a shocking number of provisions which would have a severe impact on families who desperately need to preserve their homes from foreclosure and their cars from repossession, or to focus their income on reasonable and necessary support for dependent children. Here are just a few things the bill's sponsors have failed to discuss:

The key cause of the increase in bankruptcies is surely that more families owe more money. The amount of consumer credit outstanding increased from 789 billion dollars in 1990 to 1.7 trillion dollars in 2001. During this time, there was a steady increase in the amount of debt payments American families made as a percentage of their disposable income. Although the total number of bankruptcies has increased, the number of bankruptcies in relation to the amount of credit outstanding has actually gone down.

A big part of the equation is that some segments of the credit industry, such as credit card companies, make huge profits from lending to American families who cannot afford to pay big card balances and who therefore pay interest on those balances at rates of 29 percent or higher. It is not surprising that when the credit industry sends three billion credit card solicitations each year, they reach some significant portion of American families who will ultimately have financial problems.

The Journal Health Affairs recently published a path-breaking joint study by researchers at Harvard Law School and Harvard Medical School that reveals alarming information about the medical causes of bankruptcy. The researchers found that illness and medical bills contributed to at least 46.2 percent, and as many as 54.5 percent of all bankruptcy filings. Families with children were especially hard hit—about 700,000 children lived in families that declared bankruptcy in the aftermath of serious medical problems.

Cutting down the number of bankruptcy filings will not result in savings for the credit industry or for other consumers. The vast majority of debt discharged in bankruptcy would not be paid back in any event, since the debtors involved simply cannot afford to pay. A number of studies have shown that the "means test" will raise little in new money for creditors.

S. 256 contains a variety of poorly conceived provisions which are discussed in more detail in our paper entitled, "What's Wrong with S. 256, Let Us Count the Ways . . .", available at: <http://www.nclc.org/>. If enacted, S. 256 would:

Subject debtors to a "means test" that fails to screen for abuse and instead penalizes honest debtors by imposing additional costs and filing burdens.

Create a "safe harbor" from the means test for low-income debtors, but still subject them to increased costs and filing requirements.

Require stricter scrutiny of low-income debtors' expenses in chapter 13 than higher income debtors and make some debtors too rich for chapter 7 and too poor for chapter 13.

Erode bankruptcy's fresh start by making more debts nondischargeable in both chapters 7 and 13.

Promote predatory lending by encouraging creditors to take liens on household goods of nominal value.

Create new creditor opportunities for reaffirmation abuses by weakening current debtor protections and giving creditors safe harbor from liability.

Undermine debtors' ability to save homes and cars in chapter 13.

Drastically reduce fundamental protections afforded debtors under the automatic stay.

Provide vast new opportunities for identity theft and other privacy invasion by making public tax returns and sensitive financial documents of consumers who file bankruptcy.

As an organization which represents poor people, the National Consumer Law Center vehemently disputes the credit industry position that S. 256 will not hurt low-income debtors. It is precisely those debtors who would be hurt the most. The myriad new procedural requirements together with the dozens of provisions which give creditors an opportunity to pursue new types of litigation against debtors will raise the cost of bankruptcy for all debtors. Other provisions will take away important rights under current bankruptcy law to save homes from foreclosure and evictions, and to challenge predatory lending practices. Now is not the time to cut back on the availability of a system which provides a second chance to the unfortunate in the form of a fresh financial start.

Sincerely,

WILLARD P. OGBURN,
Executive Director.
JOHN RAO,
Attorney.

A NATIONAL HEALTH PROGRAM, SELECTED MASSACHUSETTS PHYSICIAN CO-SIGNERS,

Chicago, IL, February 14, 2005.

DEAR SENATOR KENNEDY: We write, as physicians, to urge rejection of Senate Bill 256, which would make bankruptcy filing more difficult and punitive for millions of Americans driven to financial ruin by medical problems. As health costs spiral upward and insurance coverage shrinks, more and more of our patients find that illness results in financial catastrophe and bankruptcy. Only universal, comprehensive health insurance coverage under a national health insurance plan can really solve this problem. But pending such solution, many families' only chance for financial recovery lies in the limited protections available through the bankruptcy courts.

Last year one million Americans filed for bankruptcy in a last-ditch effort to deal with the fallout from a serious medical problem. Unfortunately, the very week that a Harvard Medical/Law School study documented this fact, legislation was re-filed that would greatly reduce the bankruptcy protections available to the medically bankrupt. S. 256 would drive up costs for every family filing for bankruptcy, regardless of whether the reason is too many trips to the mall or a visit to the emergency room. S. 256 would also narrow bankruptcy protection for all families, increasing the ability of creditors to collect from their debtors after bankruptcy regardless of the reason for bankruptcy, and causing many more families to lose their homes and their cars because of medical problems.

We are particularly worried that more punitive bankruptcy laws will further erode access to care for many families under financial duress and result in preventable suffering and even death. Already, families who file for medical bankruptcy suffer severe privations. According to the Harvard study: 61 percent of medical bankrupts didn't seek medical treatments they needed; 50 percent failed to fill a prescription; 22 percent went without food; 7 percent moved their elderly parents to cheaper care facilities.

We make a plea for the one million sick and injured people who turned to the bank-

ruptcy system for relief last year. Please reject S. 256.

Sincerely,

JULIUS B. RICHMOND, M.D.,
*Past U.S. Surgeon General and Professor
Emeritus, Harvard Medical School.*

FEBRUARY 14, 2005.

HARVARD STUDY SHOWS LEGISLATION A DANGER TO MILLIONS BANKRUPTED BY MEDICAL BILLS

PHYSICIANS URGE CONGRESS TO REJECT S. 256

On the heels of a major Harvard University study showing that half of all personal bankruptcies are due to illness or medical bills, more than 1,700 American physicians signed a letter released today opposing legislation that would remove protection from patients financially ruined by medical costs.

Bankruptcy law currently offers some protection to the millions of Americans affected by medical bankruptcies each year. If passed, the bill would effectively close bankruptcy as an option and allow creditors to take the homes, cars and other assets of families who suffer a serious illness or injury.

"It's a sad fact that bankruptcy courts have become the last line of defense for the victims of our broken health system," said Dr. David Himmelstein, an Associate Professor of Medicine at Harvard Medical School and lead author of the study. "For many families affected by a costly illness, the limited protections of bankruptcy are the only chance to get back on their feet."

In the letter to the leaders of the Senate Judiciary Committee, which is currently considering the bill, the doctors expressed concern that the new bankruptcy rules would further restrict the ability of patients suffering from medical costs to get needed care for themselves and their families.

"Medical debtors' access to care is already severely compromised: more than 60 percent go without a needed doctor visit and half don't fill a prescription because of the costs," said Dr. Steffie Woolhandler, who is also an Associate Professor of Medicine at Harvard and co-author of the study. "For those unable to seek relief from their debts, the situation will undoubtedly get worse," she said.

The epidemic of medical bankruptcies, which affect 2 million Americans (including 700,000 children) every year, emphasizes the need for comprehensive health insurance coverage under a national health insurance plan according to the signers, who include former U.S. Surgeon General Julius Richmond.

"Current insurance policies offer paltry protection for the average American," said Dr. Quentin Young, National Coordinator of Physicians for a National Health Program. "Most of those who are bankrupted by medical bills are middle class people who had coverage but were mined by the massive holes in their policies. Rejecting this new bankruptcy legislation is just the first step we need to take in healing our sick health system. We need a system of universal, comprehensive Medicare for all."

FEBRUARY 28, 2005.

Re: Letter from Responsible Lenders in Opposition to S. 256, The Bankruptcy Abuse Prevention and Consumer Protection Act

Hon. WILLIAM FRIST,
Majority Leader, U.S. Senate.
Hon. HARRY REID,
Minority Leader, U.S. Senate.

DEAR MAJORITY LEADER FRIST AND SENATOR REID: The undersigned financial institutions and associations write in opposition to S. 256. We believe that S. 256 disproportionately harms vulnerable debtors while re-

warding creditors who provide excess credit or who impose unfair terms on borrowers. Further, we are concerned that the changes to the bankruptcy code proposed in S. 256 are likely to make more homeowners vulnerable to abusive lending and fraudulent credit counseling practices.

Bankruptcy is first and foremost a means to enable overburdened families to get a fresh start. Nearly all families in the bankruptcy system are there not because they want to evade their obligations, but because they have had a sudden decline in their economic fortunes. More than 90 percent of debtors file for bankruptcy due to unemployment or underemployment, an illness or accident, or divorce. The bulk of the remainder suffered from other legitimate difficulties, including activation for military service, being a victim of crime or natural disasters, or a death in the family.

Abusive lending practices, especially by credit card lenders, are a larger problem than debtor abuse of the bankruptcy system. Growth in the bankruptcy filing rate tends to increase with an increase in the ratio of household debt to household disposable income. Given this fact, the unfettered increase in available credit likely has contributed significantly to the rise in bankruptcy filings in recent years. For example, in 2000 the credit card industry offered almost \$3 trillion in credit—more than three times the \$777 billion of credit offered in 1993. Excessive credit extension by unscrupulous lenders makes it more difficult for responsible lenders to monitor their debtors and preserve healthy lending portfolios.

Some creditors seem to want to have it both ways: keep interest rates high and underwriting standards loose, while amending the bankruptcy laws to decrease losses resulting from questionable extensions of credit. S. 256 unnecessarily serves the interests of these credit card lenders—who are experiencing record profits—at the expense of the vast majority of families who declare bankruptcy for legitimate reasons. Credit card lenders already cover losses by charging extremely high interest rates at a time of historically low rates, and they are able, should they choose, to limit losses further by tightening underwriting standards. Irresponsible lenders need to be reined in, not rewarded with legislation that further harms suffering families.

S. 256 will effectively deny bankruptcy protection to tens of thousands of innocent lawabiding families who suffer significant setbacks. Many of these families will lose everything they own to creditors while remaining indefinitely subject to their unsecured creditors, unable to ever get back on their feet. Furthermore, by discouraging those who truly need bankruptcy relief from seeking it, S. 256 may increase the number of families that turn instead to unscrupulous lenders and dubious credit counselors who do more harm than good.

First, S. 256 inflexibly forces more borrowers to file under Chapter 13 of the Bankruptcy Code, notwithstanding the fact that an independent academic study on the subject found that less than four percent of debtors who filed under Chapter 7 (where unsecured debt is discharged) couldn't possibly repay any of their unsecured debt under Chapter 13. Some families need to file under Chapter 7 because they cannot afford to meet their housing, car, and student loan obligations (which they generally have to pay under Chapter 7), pay their short-term unsecured debt, and still have money left over for basic household needs. Forcing these people to file under Chapter 13 threatens to exacerbate their suffering without significantly benefiting creditors; you cannot extract blood from a stone. Despite the good-faith

repayment efforts of many debtors, historically nearly two-thirds of all Chapter 13 debtors fail to complete their repayment plans even before additional Chapter 7 debtors, who would be even less likely to complete Chapter 13 plans, are forced to enter Chapter 13. Adding insult to injury, S. 256 makes it extremely difficult for borrowers to file a Chapter 7 bankruptcy once a Chapter 13 repayment plan fails, leaving these borrowers entirely unprotected.

Second, S. 256 creates so many disadvantages to filing bankruptcy that severely strapped borrowers may forego filing altogether and instead try to solve their problems by borrowing money on abusive and unfair terms. For instance, S. 256 makes it harder for debtors to save their cars in bankruptcy, makes it easier for creditors to take basic household goods from debtors, and requires additional procedures that delay initiation of a bankruptcy. Desperate borrowers who should be seeking bankruptcy protection may attempt to solve their problems by responding to solicitations from unscrupulous lenders who push abusive home refinancing loans, dishonest credit counselors who bilk debtors rather than help them, payday lenders who profit from families caught in a debt trap, or a host of other bad actors.

While as financial institutions and associations we are well aware that there are problems with our bankruptcy system, current judicial discretion is far preferable to the unbalanced bill before you. We therefore urge you to oppose S. 256 and to revisit the issue of bankruptcy in a manner that equitably meets the interests both of lenders and of vulnerable borrowers.

Sincerely,

Martin Eakes, CEO, Self-Help Credit Union.

Jim Blaine, State Employees' Credit Union, North Carolina.

Terry D. Simonette, President & CEO, NCB Development Corporation.

Calvin Holmes, Executive Director, Chicago Community Loan Fund.

Elsie Meeks, Executive Director, First Nations Oweesta Corporation.

Ceyl Prinster, Executive Director, Colorado Enterprise Fund.

Bill Edwards, Executive Director, Association of Enterprise Organizations.

Mark Pinsky, National Community Capital Association.

John Herrera, Board Chair, Latino Community Credit Union.

Fran Grossman, Executive Vice President, ShoreBank Corporation.

Kerwin Tesdell, CEO, Community Development Venture Capital Association.

AMENDMENT NO. 16

Mr. KENNEDY. Mr. President, I want to speak for a few more moments about the excellent amendment that has been offered by my friend and colleague from Illinois, Senator DURBIN, which I strongly support. Yesterday, in Massachusetts, I had an opportunity to have a meeting with a number of veterans. They actually were disabled veterans. We have 34 Massachusetts young men who have been killed primarily in Iraq. I think we had two killed in Afghanistan, but primarily Iraq. And we have had a number of wounded veterans.

We had a very good meeting about their reentry into the community and what we can do to help them in terms of education, training, and employment. A number of the large companies in Massachusetts have made important commitments to employ veterans, and particularly the disabled veterans. I

will mention one: Home Depot, a national company, employed 10,000 veterans last year. They expect to exceed that number this year. It is a very impressive record.

These young people are looking for how they are going to be able to live and have useful, productive, constructive, valuable lives. There is a lot that has to be done, obviously, by the VA and by the various organizations in the State and in the private sector, as well as at the national level, to help them in these ways. We can all be extremely involved and helpful in that endeavor.

One of the central concerns they mentioned during the course of the discussion had to do with the times they heard from a number of their friends and colleagues who were in the Guard and Reserve serving in Iraq. We have 1,000 at the present time serving from Massachusetts and many more in the regular services. They are in the Guard and Reserve. But they told me of the concern their families have in terms of the dangers of bankruptcy and what would happen to these families. I do not think it is enough to say, well, we'll defer this to another day, or the existing laws are going to take care of it. We have a good opportunity to address that. And if we are serious about addressing it, we ought to accept the Durbin amendment. We are either going to be serious about doing this or we are not. The Durbin amendment is a serious effort to address this issue, and it deserves all of our support.

Military families struggle financially for a number of reasons. Often, the low pay for newly enlisted men and women is not enough to support a family. Service men and women are also prey to predatory lending schemes that leave their families high and dry. Military retirees have been victims of pension schemes that destroy their savings. National Guard and reservists often face a loss of income when they are activated and deployed, and their families are left in serious financial distress. Veterans are not getting the federally promised health care benefits they need to stay healthy.

The most recent data available show that in 2003, 20,000 active-duty members filed for bankruptcy. They would be considered active duty, even though they are in the Reserve or Guard because they are on active duty. That is 20,000 members of the Armed Forces whose service to their country resulted in financial ruin. Military service should be the source of pride, growth, and opportunity, not a financial crisis.

That is why Senator DURBIN's amendment is so important. It will ensure fair and strong bankruptcy protections for military families and veterans.

The typical family who files for bankruptcy is at or near poverty at the time they file. It is appalling that America's service men and women, or any veteran, can be plunged into poverty in connection with their service to the Nation.

The base pay for newly enlisted men and women is often between \$15,000 and

\$20,000 a year. That is far from enough to support a family back home. Yet nearly half of all members of the military have dependents who rely on their income. The most recent data shows that more than 6,000 military families are forced to rely on food stamps. Do we hear that? We have 6,000 military families who are forced to rely on food stamps because of low pay. I pay tribute to our friend from Arizona, Senator MCCAIN, who did so much to reduce that number. I am hopeful we can eliminate it during this session of Congress.

In addition, predatory lenders often prey on service men and women. Payday lenders offer high-interest, short-term loans of usually \$500 or less, and focus on the military, with their financial inexperience and regular paychecks. These loans result in huge interest rates and often leave the borrower in significant debt that can lead to bankruptcy. The Durbin amendment will protect military members against this shameful practice.

National Guard members and reservists have other types of financial burdens. Since 9/11, 469,000 National Guard members and reservists from the Army, Navy, Marines, and Air Force have been called up for combat tours in Iraq or Afghanistan. That is virtually half a million. Their tours of duty can last for up to 2 years, and the Pentagon is currently considering broadening even that time limit. These deployments can cause extraordinary financial stress for their families.

For example, an Army reservist medic with four teenage kids in Hot Springs, AR left for Iraq, leaving his family's gas station convenience store with no one to operate it. One month later, the family fell into serious financial trouble. They had no choice but to file for bankruptcy.

After the bankruptcy, they couldn't pay their mortgage and had to give up their house. They moved in with the soldier's parents. But because the parents had cosigned on the loan for the store, they were forced to file for bankruptcy, too, or risk losing their own home. The grandfather is disabled, so the grandmother had to go back to work to keep the family financially afloat.

Too many National Guard reservist families face this type of economic distress. Thirty percent of spouses of active reservists report a loss of household income after the reservists' mobilization. Forty percent of all reservists report loss of income. For those who are self-employed, it's even worse. Half of self-employed reservists lose income when they are deployed.

Of spouses who reported lost income, half had monthly decreases from \$500 and \$2,000 per month, and nearly a quarter lost over \$2,000 a month. That's \$24,000 a year in lost income that puts a heavy financial squeeze on these families.

With other key expenses rising every year in the Bush administration, it's

even harder for military families to make ends meet. Since 2001, health insurance premiums have soared by 59 percent. Prescription drug costs have risen 65 percent. Housing costs are up 33 percent in the last 4 years.

The last thing Congress should do is make it harder for these families when they face bankruptcy. I urge my colleagues to support the Durbin amendment to protect military families.

THE PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I listened with a great deal of interest to my colleague's remarks with regard to the bankruptcy. I will have a few things to say about those remarks in just a few minutes.

Mr. President, I rise in support of the bill, S. 256, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. The essence of this bill is simple. This legislation is designed to make our bankruptcy system more fair and efficient. As well, this bill would cut down on the ability to abuse the current system.

Before I detail some of the abuses of the system that is being abused, I want to make some other points. First, as I said yesterday, this bill has been in the making for 8 years. The Senate passed it three times already. Prior to Senate passage, the Judiciary Committee held an extensive set of hearings and several markups on this bill. This bipartisan, bicameral bill is ripe for passage. I am pleased to report that yesterday the White House released the following statement of the administration policy on the bill. It is short and to the point and it says the following:

The administration supports Senate passage of S. 256 as reported by the Senate Judiciary Committee. These commonsense reforms to the Nation's bankruptcy laws will help curb abuses of bankruptcy protections, reduce uncertainty in financial markets through improved financial contract netting rules, increase financial education to prevent unnecessary filings and help avoid future credit problems, promote international trade through coordination of cross-border insolvency cases, and provide increased protection for family farmers facing financial distress.

I am pleased that the administration's SAP stressed some of the pro-consumer aspects of the bill. While we want to see that those people who borrow money pay it back and that the value of personal property and responsibility is observed, we also want to help keep citizens out of bankruptcy in the first place.

When honest people simply get over their heads financially, we want to give them a fair chance to have a fresh start. Where there are some who are clearly gaming the present system, there are many who find themselves in unfortunate financial circumstances. Given a chance to begin fresh, they can learn from their experiences and once again become the prudent, bill-paying consumers all of us are taught to be.

The data tell us there is a problem and it is a growing problem. Bank-

ruptcy filings are way up, and I mean way up.

We are fortunate to live in a time of unprecedented economic growth. Stretching all the way back to the Presidency of Ronald Reagan, we have generally seen a sustained increase in economic activity. Personal assets and net worth have grown, when compared with individual liabilities. Yet, precisely at this time, bankruptcy filings have blown through the roof.

These facts might help to put it in perspective. Bankruptcies doubled in the 1980s. They doubled again from 1990 to 2003. In 2004 alone, there were 1.6 million more bankruptcies than during the entire Great Depression. There will be more bankruptcies filed this year than in the entire decade of the Great Depression combined.

What explains this dramatic rise in filings? Probably several reasons are at play. Certainly, one of the critical reasons behind the rising tide of filings under the Bankruptcy Code, as years of study document, are the actions of those who flagrantly abuse our generous bankruptcy laws.

Many of those opposed to the bill suggest that bankruptcy filings were up because more and more people face economic hardship. To some extent, this is no doubt true. But we also know, however, that many bankruptcies stem from old-fashioned, outright fraud and abuse.

This potential for abusing the system was not fully anticipated when Congress created our current Bankruptcy Code in 1978. A key purpose of this bill is to help crack down on the abuses of the system. In its simplest terms, our bankruptcy laws attempt to distinguish between those who can and those who cannot repay their debts. When a case is filed under chapter 7 of the Bankruptcy Code, the debtor is required to surrender his assets to a bankruptcy trustee for liquidation and distribution to creditors, except for those assets that are exempt under State or Federal law. Yet under this provision of law, the debtor's future income is protected from creditors.

By contrast, those who file for bankruptcy under chapter 13 retain possession of their assets, but pay all or a portion of their debts through plans approved by the bankruptcy court.

For some contemplating bankruptcy, this makes for a simple strategy: Do everything you can to get into chapter 7. Chapter 7 protects all of your future income from creditors. Once you are protected by chapter 7, you pay off secured creditors—such as your mortgageholder—first.

Only then do unsecured creditors get their chance to get paid back.

Experts tell us about 70 percent of consumer bankruptcy filings are chapter 7 filings, and 95 percent of those make no distribution at all to unsecured creditors.

Let me repeat those statistics because they are important. About 70 percent of consumer bankruptcy filings

are chapter 7 filings, and 95 percent of those make absolutely no distribution at all to unsecured creditors.

If you are listening to this debate and you are a creditor, these statistics mean you have only a small chance to be repaid if you are an unsecured creditor.

The problem with this is, according to the FBI, about 10 percent of these chapter 7 filings are fraudulent. So what if only 10 percent of filers are abusing the system? This represents \$3 billion in costs that can be recovered rather than being passed along to consumers. You and I and everybody else pay for these abuses of the system. We all end up paying for it. The problem with this is, according to the FBI, about 10 percent of these chapter 7 filings are fraudulent. One can understand the financial motive of a debtor running up his or her unsecured credit card debt to pay down his or her secured mortgage just before filing chapter 7, even though he or she knows full well the debts will never be paid back.

The data suggest to many experts that some relatively high-income debtors truly belong in chapter 13 where they will have to establish a plan for repayment for at least some debts. In theory, our bankruptcy courts have the opportunity to defy chapter 7 filing because of "substantial abuse." Yet with so many bankruptcy filings, our courts are often overwhelmed, and in practice few people are bounced out of chapter 7, no matter their actual ability to repay their debts. It should come as no surprise, then, that a few bad apples who could afford to pay some of their debts actively seek to avoid chapter 13 and get into the often less onerous treatment of chapter 7. A key component of S. 256 is a means test that will help prevent such gaming of the system.

Some have attempted to criticize this commonsense safeguard as somehow taking away bankruptcy protection. Let me be clear. The means test does no such thing. All it does is identify those who can repay at least some of their debts. It makes certain they enter into a chapter 13 reorganization and repayment plan rather than let them simply walk away from their obligations, no matter how steep or outrageous. Believe me, there is strong evidence to support this improvement in the law.

The U.S. Trustee Program has been challenging and documenting abuse now for some time. The following examples show why changes are needed in the current system. The primary function of the U.S. Trustee Program is to identify fraud and abuse in the bankruptcy system. In fiscal year 2002, there were 1,470,430 bankruptcy case filings. With such a large number of filers, there will always be those who will try to game the system.

Although some opponents of the bill may minimize the problem of abuse, consider these facts: The U.S. Trustee Program successfully pursued 5,000

chapter 7 debtors for "substantial abuse" of the bankruptcy system. The program prevented the discharge of an estimated \$59 million of unsecured debt through fraudulent chapter 7 filings. In addition, the Trustee Program obtained disgorgement of more than \$1.3 million in attorney's fees in consumer and business cases and imposed almost \$534,000 in sanctions against attorneys. This indicates that bankruptcy fraud is no small problem and that reforms are in order.

The evidence of fraud is so widespread that many believe it is no longer sufficient to rely on watchdogs to police these abuses after they have occurred. We must take proactive steps to prevent them from happening in the first place. That is what S. 256 does. The means test contained in the bill will provide a uniform standard to bankruptcy judges to evaluate the ability of bankruptcy filers to repay debts. With some people gaming the current system to avoid paying debts they have taken on, we must make sure that the people who file in chapter 7 actually belong in chapter 7. We should not absolve people of their debts when they have the means to pay them back. Bankruptcy law has always meant that.

This is no exaggeration. Just consider these examples, if you will.

I am told one debtor in California sought to discharge \$188,000 in unsecured debt. This person had more than \$10,000 a month in expenses. She paid \$4,500 a month on the mortgage for her house in San Juan Capistrano and then paid another \$2,500 a month on rent for an apartment in Silicon Valley. This woman was spending \$7,000 a month for two homes. The simple fact was, however, if the woman got rid of just one of the homes, she would likely be able to fund a chapter 13 plan and repay, rather than ignore her debts. This does not seem to me to be too much to ask. In fact, it just makes common sense.

In another instance, a woman in Dallas filed for chapter 7 bankruptcy attempting to discharge \$122,527 in credit card debt. But this is not exactly a hard-luck case, by the way. She was a commercial airline pilot who earned \$11,500 per month and paid \$3,100 per month for a mortgage on a \$385,000 home. Some have cast a skeptical eye on her decision to buy a \$50,000 Mercedes just before declaring bankruptcy in order to replace the recently repossessed \$90,000 Mercedes. If that is what happened, it just plain is not right.

When somebody obtains 36 credit cards, runs up \$283,075 in bills, and then tries to discharge that debt through a chapter 7 filing—as I understand was the case of one gentleman in California—it is not enough to sit back and blame aggressive marketing by credit card companies. We have heard that old saw year after year. Frankly, there is a lot of abuse out there.

One person in Miami sought to discharge \$163,744 in unsecured debt even though he had the means to purchase \$232 in lottery tickets every month.

Then there is the case of a Tampa couple who had a combined monthly income of \$7,000 and a monthly budget of \$6,756. Included in that budget was a car payment of \$965 a month. In addition to their secured debt, they owed \$350,000 in unsecured debt. This consisted of \$200,000 in credit card debt and \$150,000 in personal loans. They attempted a chapter 7 filing. This couple was bringing in more than they were spending, but they wanted to walk away from it all. Yet a review of their banking records showed that one spouse withdrew hundreds of dollars every month at ATM machines at local casinos. They had money to play blackjack but not pay back their debts. Something, it seems to me, is just not right about that.

We are a compassionate nation, but we should not be fools. A discharge of debt is serious business, but for sound public policy reasons, the United States has decided to allow it in certain circumstances. We want to give our neighbors who get in over their heads a chance to get out of their financial troubles.

Frankly, I suspect that for a majority of those individuals who file for bankruptcy, it must be their worst nightmare, but for some, as I just described, it is a way to avoid responsibility. We do not want to encourage bankruptcy for anyone. When a person takes on a debt, that person makes a promise to pay, and they ought to pay it if they have the capacity to do so.

There is something inherently unfair in denying full restitution to creditors. That being said, as a matter of longstanding public policy, we have decided to allow some people a fresh start and the opportunity to discharge their debts through a chapter 7 liquidation. But many fear that in some instances, our lax policing of those who attempt a chapter 7 filing actually encourages additional bankruptcies.

As a matter of public policy, we must say that those relatively high-income debtors, those capable of paying back their substantial debts, should at least pay something back, and that is all we are requiring here. From now on, those who are capable of financial reorganization, rather than outright liquidation, will have to keep their promises or at least some of their promises.

Some opponents of this legislation minimize these abuses. They deride the means test we devised to solve this problem. The fact is, 80 percent of people filing for bankruptcy will be automatically removed from the means test because their incomes fall below the safe harbor of the median State income. Only 20 percent are asked to answer this rather reasonable question: After medical expenses, schooling expenses, health care premiums, living expenses, and a regular budget, do you have an ability to pay back some of your debt?

That is all. Only 10 percent of the people currently filing for bankruptcy will be moved into chapter 13 under

this test. Contrary to the image of a crippling lifetime commitment to one's debtors, those repayment plans are only between 3 and 5 years.

Who passes the means test of this bill? Eighty percent are excluded for falling below the State median income. Another 10 percent are excluded after taking into account school, health, and living expenses. So only 10 percent of bankruptcy filers will ever be moved into repayment plans. I do not think it is too much to ask that these relatively high-income debtors, who can afford to pay their debts, pay back some of what they owe.

To the extent that our current Bankruptcy Code encourages some bankruptcies, I am hopeful that this reform will discourage some of them. The experts and data tell us there are some with high salaries, profligate spending habits, and the ability to pay back their debts. Our laws should not be to just allow them to walk away.

The fact that this type of misconduct is occasionally prevented does not undo the need for permanent systemic reform of our laws. For every one person who is discovered in an abuse of the system, it is likely there are many others whose abuses never see the light of day. There is a culture of abuse in our bankruptcy system that should be addressed.

I am told that in Kentucky one debtor filing for chapter 7 protection failed to mention that he had transferred his one-half interest in a Florida house to his son approximately 7 years before filing for bankruptcy. How convenient. He also failed to mention his transfer of stock to his daughter within 1 year of filing. He was unable to account for the disappearance of \$1.125 million in assets, including \$300,000 in personal property and even \$400,000 in race horses. His hope was to discharge almost \$1.8 million in unsecured debt and \$795,175 in secured debt.

While this may be an outlier case, the underlying problem of abuse is too frequent an occurrence. The point is not that this person is an average filer; the point is that the system is such a mess that someone would even contemplate making this type of a case.

Unfortunately, this misconduct is all too often encouraged by a bankruptcy bar that ushers people into chapter 7 without ever fully considering the client's ability to repay.

The U.S. trustees had to pursue 653 actions seeking disgorgement of debtors' attorney's fees in fiscal year 2002. At the same time, they pursued 243 other actions for attorney misconduct that resulted in \$533,813 in sanctions. Over 75 attorneys were referred to State bar associations or other disciplinary boards.

In the Eastern District of Pennsylvania, a U.S. trustee review discovered that in bankruptcy filings it was common to have boilerplate information entered without regard to the individual debtor's circumstances, internally inconsistent information, and missing financial information.

These are bankruptcy factories that appear to attempt to get as many as possible into chapter 7 without so much as a cursory look at the filer's ability to repay his or her loans or debts.

For the most part, I am proud of our bankruptcy laws. When a debtor gets in over his or her head, we do not ask why. We do not cast blame. Instead, we attempt to help that person pay back the debts. Bankruptcy protection gives Americans the ability to pause, to reorganize, to start over. Bankruptcy offers those with unsustainable debts an opportunity for a fresh start. No one here wants to change this fundamental guarantee. No one wants to alter this basic framework. Yet people are taking advantage of this system. Abuses are increasingly rampant and well documented.

When some people game the system to walk away from debts that they are perfectly able to repay, an injustice occurs that has ramifications for our entire economy. And guess who has to pay for their dishonesty. You and I and everybody else because we pay an average of \$400 a year for this bankruptcy system. This bill will help to bring it into a forceful, reasonable purpose.

It was estimated that in 1997 alone more than \$44 billion of debt was discharged through bankruptcy. This amounts to a loss of \$110 million per day. Someone has to pay for this. The American people, you and I and everybody else, end up paying the bill for at least these dishonest people.

According to one estimate, as I have said, these losses translate into a \$400-a-year tax on every household in the country. That might not seem like a lot to some, but for many families \$400 is a mortgage or a rent payment.

The cost of bankruptcy to taxpayers: \$44 billion in debt discharged per year, or \$110 million every day, a \$400 yearly bankruptcy tax on every household in the country.

For all the reasons I have laid out, I urge my colleagues to support S. 256. This is a good bill. We have been at this legislation too long to allow this commonsense reform to fail.

By the way, this very same bill, with the Schumer amendment, passed with 83 votes. Without the Schumer amendment, the bill that President Clinton pocket-vetoed was basically the same as this, and it passed with 70 votes, meaning a bipartisan passage.

I will make a few comments on the Durbin amendment that seeks to address some potential problems relating to debt carried by members of our military. We all honor our military for their sacrifices, no question about it. While I am supportive of the intent of the underlying Durbin amendment, the fact is, only about 20 percent of those filing for bankruptcy will ever be subject to a means test. Only about half of those will end up having to repay some of their obligations under the means test. That means that only about 10 percent of those filing for bankruptcy

will ever have to actually pay back some of their past debts with future earnings.

I suspect the 1 in 10 fraction will be smaller, perhaps much smaller, for those serving in the military. So when my friend from Illinois calls the means test an onerous test, he is overstating the case.

The purpose of the means test is simple. We are trying to determine which debtors can afford to pay a portion of their past debts from their future earnings. The Durbin amendment has several problems, but its goals are well intentioned and I commend him for his efforts. For example, it is my understanding that under the definition of "service member," all of those employed as commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration will qualify for this special treatment. There are few, if any, greater supporters of the commission core of the Public Health Service, but I do not understand why a public health service officer, working side by side with a career civil servant member at the Department of Health and Human Services, should receive any special consideration during bankruptcy proceedings. If a member of the PHS or NOAA is able to pay, as determined by this new means test, which is estimated to affect only 1 in 10 of those filing for bankruptcy today, he or she should pay like any other civil servant or member of the public.

They are well paid. They do not have to go off and borrow beyond their means. They do not have to live beyond their means. They should not have any breaks any better than the regular citizens.

I think the distinguished minority whip has raised and will continue to raise very important points, and I look forward to working with him and the entire Senate to address those points.

If bad actors are preying on our military personnel through nefarious payday loans or other questionable practices, then I encourage Senators SHELBY and SARBANES, the head of our Banking Committee in the Senate, to look into the issue. If there are other social issues that face our military personnel, then we as Members of Congress have an obligation to examine those issues in depth and find the right fixes.

The Durbin amendment also has an additional problem. This involves his creation of a broad exemption to the delicate homestead compromise already so painstakingly embodied in this bill. We have gone over and over it and have finally come to this compromise that does not please everybody, or anybody for that matter, but it is an important compromise and an important aspect of this bill.

We know the Senators from the States of Florida and Texas have made it clear that this issue is important to them. This is an area where we have tried to defer wherever possible to the

States, even though other Senators view some of the States' exemptions with skepticism. We should all recognize that opening the door on the homestead provision could work to unravel this bill.

This is also the case with Senator FEINGOLD's amendment on the homestead exemption. This issue is not new. We have debated it year after year, and we have come to a plausible compromise that has passed year after year. This question has been debated over and over again. We have achieved a compromise on the homestead exemption that has demonstrated the ability to win overwhelming support in both Chambers. Both the Durbin amendment and the Feingold amendment tend to upset the balance that has been achieved on this important issue.

As I look at and examine the Durbin amendment, I have identified a few additional concerns. For example, under the terms of the amendment both "real or personal property that the debtor or dependent of the debtor uses as a residence," what does this language mean? How could personal property be used as a residence?

The bottom line is this amendment has many ambiguities. In addition, several of its principal components come into tension with long-settled provisions of this bill such as the homestead and the means test.

As all of my colleagues know, there is a right way and a wrong way of doing things. Indeed, many Members of the minority and some of the majority have made that very point with regard to how the USA PATRIOT Act was put together. Senator DURBIN has raised some important issues we must take the time to explore properly, and I believe Senator SESSIONS has appropriately and adequately addressed the central concern of the Senator from Illinois, which is to allow the facts and circumstances of military personnel to be considered in bankruptcy proceedings.

I support S. 256, the bankruptcy bill, and I hope others will as well. We have come very far with this bill, after 8 tough years of work, after repeatedly passing it by overwhelming votes, and then having it shot down because of a killer amendment that gets put on by our colleagues who claim they are working in support of it. We should pass this bill. We should pass it in as clean a form as possible.

Let me say with regard to credit card debt, I think it is a nice, populist appeal here, to blame all the credit card companies for the problems everybody has in our society today. Look, we have an intelligent society, a highly educated society, and I think everybody knows when they take those credit cards and they accrue debt, they are supposed to repay that debt. Frankly, we have far too many people taking advantage of credit cards and not paying their debt.

Where there is fraud, we should go after any credit card company that

commits fraud or abuse against our fellow citizens. But this bill does not fail to resolve these issues.

Could we improve this bill? Yes, I think we could improve it. But if we did, some on the other side would say that is too tough of an improvement. Could others on this side improve it? I suppose so. Could some on that side improve it? I would hope so, but so far we have accepted an awful lot of what the other side has wanted. This bill has been passed by overwhelming votes over the last 8 years, at least four times, as I recall it. At one time it passed through both Houses of Congress and was pocket vetoed by President Clinton.

I would like to make one last point. Unfortunately I have to oppose the Feingold amendment on the homestead matter. I think the purported purpose of the amendment is well intentioned, but I am concerned that it may act to upset the delicate balance and painfully negotiated provisions relating to homestead exemptions. This amendment by Senator FEINGOLD is, I know, well intentioned. But this amendment confuses an important and bipartisan issue, namely the care of the elderly, in a way that could sink this important legislation.

I have worked tirelessly to make sure there are provisions in this bill to protect the elderly, along with women and children, and I think every one of my colleagues who has worked with me on this bill recognizes that fact. The simple truth is this amendment and others like it could kill this bill. The reason has nothing to do with a hostility to the elderly or to any other class of persons, but because the homestead provisions have taken years to negotiate and are the result of painful choices and compromises. They are not totally satisfactory to me, either. But the fact of the matter is, it is the best we can do.

There are many Members of this body who would like to see the homestead provisions changed in some fashion, but to accommodate them any further than what presently exists in this bill would force other Senators who are strong supporters of this legislation to oppose it.

My opposition to this amendment has nothing to do with the elderly and I would not object if every State in the Nation passes laws that would put a similar floor or a higher floor under their respective homestead laws, but that choice belongs to the States and not to the Federal Government. There is a long history in bankruptcy law of deference to States on this issue. Nearly every State in the country has vehemently defended their homestead laws.

I must say I think some States wish to change their laws. If they do, that is their prerogative. The purpose of this bill and the purpose of the current homestead provisions is to curb fraud and abuse. The current provisions impose a 10-year look back for fraud. They impose a 2-year domiciliary re-

quirement that is designed to prevent wealthy debtors from moving from States with low homestead exemptions to States with high or unlimited exemptions and then filing for bankruptcy. These provisions are a compromise, a balance of States rights and Federal imperatives under bankruptcy law and we must let the provision stand as written. I oppose the Feingold amendment and I hope my colleagues on the floor will oppose these amendments as well.

I yield the floor.

The PRESIDING OFFICER (Mr. MARTINEZ). The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I see the Senator from Illinois is here. At this point I ask unanimous consent that immediately following this consent it be in order that I offer a first-degree amendment relating to the matter in the Durbin amendment, provided further that there be 60 minutes for debate equally divided on both amendments concurrently; provided further that at the expiration of that debate the Senate proceed to a vote in relation to the Sessions amendment, to be followed by a vote in relation to the Durbin amendment, with no second-degree amendment in order to either amendment prior to the votes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DURBIN. Mr. President, if I could, I ask the Senator from Alabama if I could make a unanimous consent request. I ask unanimous consent that Senators BILL NELSON, EDWARD KENNEDY, JOHN KERRY, and HILLARY RODHAM CLINTON be added as cosponsors to my amendment.

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

The Senator from Alabama.

AMENDMENT NO. 16

Mr. SESSIONS. Mr. President, the Senator from Illinois has raised questions concerning the position of military personnel in bankruptcy. I believe his language is overly broad and I believe the concerns he has do not justify the language of his amendment. I cannot support it. I think I will take a minute to discuss his amendment and then discuss the amendment I will offer, which I believe would be more appropriate under the circumstances.

The amendment Senator DURBIN has proposed would create a gaping hole in the means test and in the homestead language—it would exempt certain individuals from those provisions and violate certain principles that have been part of this bankruptcy legislation. As I pointed out earlier today, many of the concerns that are raised here are covered by the Servicemembers Civil Relief Act which we passed in 2003 to modify the Soldiers' and Sailors' Civil Relief Act passed in 1940. The combined acts allow military members to suspend or postpone civil financial obligations during their period in the military service.

Specifically, this act provides as follows. There is an interest rate cap of 6 percent on all debts incurred before the commencement of active-duty service. In other words, before active duty you have a certain rate of income and if you sign up for a note that carries a 10-percent interest, you can have that interest rate reduced to 6 percent while you are activated, on active duty for the United States of America.

There are protections from eviction from your home. It provides for a delay of all civil court proceedings, including bankruptcy and foreclosures of your home; a prohibition on entering default judgments against active-duty personnel members, and the ability to reopen a default judgment if one were to be entered; the ability to terminate property, residential, and automobile leases at will, if you are activated; the continuation of life insurance of at least \$250,000 without requiring premiums to be paid; and the tolling of statutes of limitation. In other words, if you are activated and you have a cause of action against someone and you are interrupted in your ability to file that and the time may have otherwise run, the statute of limitations, the time in which you can file a lawsuit, would have run, then you can extend that while you are on active duty.

There is temporary relief for mortgage payments for people on active duty, credit rating protection, penalties for landlords and creditors who violate the act involving fines of up to \$100,000 and/or imprisonment. These are a lot of broad protections that indicate to me we are at a point where it would not be necessary or wise to frustrate or undermine or go against the guiding principles that are in this bankruptcy bill. We hammered it out. And I have not agreed with all of them that have been set forth. This is not, in my view, a justification for a very significant carve out to the means test and homestead provisions for those on active duty.

I would have to oppose this Durbin amendment. I believe, however, that we can be more explicit in the legislation and make sure that soldiers, certain persons with medical conditions, and veterans with low income can qualify under the safe harbor of the bill. I am offering an amendment which clarifies that these individuals who may fall under the special circumstances provisions of the bill are explicitly allowed to be covered under the special circumstances provisions of the bill to give them certain advantages. It would deal primarily with the concern that some would be required to pay back a portion of their debt, and this would deal with that.

My amendment includes protections for the following three categories of individuals: those called or ordered to active duty in the Armed Forces, low-income veterans, and individuals with serious medical conditions. These are all situations that we want to make sure the bankruptcy bill's special circumstances clause includes. My

amendment does not create a gaping loophole in our legislation. Instead, it makes clear that people capable of paying back their debt should do so, at least in part, but those incapable of paying back their debt due to military service or a serious medical condition may not be required to do so. I hope my colleagues can support this amendment.

I will just say with regard to the homestead exemption included in the Durbin amendment that this would go against a lot of consensus we finally reached on homestead. Senator HATCH referred to it earlier. The fact is we have decided as a Senate and after debate three different times in passing this legislation on this floor by a overwhelming vote each time that we were not going to overrule the States' definition of homestead.

The State of Florida has a high homestead. In my view, it is too high, but it is in Florida law, and the Senator from Florida may well believe that he needs to defend that law. Many of our Senators say: This is our State's law, and I am not going to vote for a bill with an amendment which overrides my State's law on what the homestead should be. I have a personal belief that it is a necessary provision for us to take, but that has been the consensus, so I have to live with it even though I have been concerned on some of the issues.

We have been consistent in not overruling the State definition of homestead. I note that any State legislature could change their homestead any time they want. They can create a separate homestead rule. If they choose for the military, they could raise it or lower it, they can cap it or put a floor on it—whatever they choose. We have decided, as this bill has been through the Congress several times now, to defer to the States on that issue. I believe it would be inappropriate for us to now carve out this exemption to it.

I yield the floor and reserve the remainder of the time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my colleague from Alabama.

Let me make a couple comments.

First, his amendment, which I will oppose and urge all of my colleagues to oppose, puts servicemen and service-women in the category in this bill where they are presumed to be abusers in bankruptcy. That is right. The presumption in his amendment is that if you served in the military and file for bankruptcy, that you are abusing the bankruptcy process. He adds language which says that, and, therefore, we want the judge to take a look at these presumed abusers of the bankruptcy process and consider the fact that they happen to be in the military.

The Senator's amendment is entirely opposite of what we are trying to achieve with the Durbin amendment. We are trying to presume the obvious. The men and women serving our country

overseas who have been activated in the Guard and Reserve, taken away from their families and their businesses, should be presumed not to be abusive of the process but be presumed to be some of our most important citizens. Why do we want to throw them into the presumption of abusing the bankruptcy process? What I want to do is exactly the opposite. If you are serving our country and you face bankruptcy, we want you to walk into that courtroom and, frankly, get a better shake under the law than you currently get.

First, we don't want you to have to go through the hoops that have been created by the credit card industry and big banks for people who supposedly abuse bankruptcy. No. You put your life on the line for America. You were activated to serve in Iraq, and you risk your life every day for us. You lost your business at home, your family went bankrupt, and yet we are giving you a break in the bankruptcy court, unlike the Sessions amendment, which presumes you are an abuser of the process if a serviceman walks into the bankruptcy court.

The second thing we say is military servicemen don't get to pick the States they live in; they are transferred by the military to different places. But while these transfers of their families are going on, they could go bankrupt. If they go bankrupt, why do you have to make this some sort of roulette game as to what laws apply?

You are in the military and you file for bankruptcy. Then you ought to be able to count on several things:

First, the Federal exemptions on personal property. You know you can always turn to that. That means the things that you can keep in your family, in your household, even if you go through bankruptcy.

Second, the homestead exemption. If you happen to be in a State that is tough and doesn't allow you to protect any part of your equity in your home and you have been transferred there in the military, why use that against men and women who are serving this country? Why wouldn't you say, as our bill does, that we will protect up to \$75,000 of your homestead?

Some will say: They may live in a State where it has zero homestead exception. That is true. I plead guilty to the charge that I am favoring the men and women in uniform who file for bankruptcy. I am. Unlike Senator SESSIONS' amendment, which presumes them to be abusive of bankruptcy, I presume the opposite, that men and women in the military don't go into bankruptcy just because it is an interesting thing to do. I think they have proven that they are responsible people when they raise their hand and swear an oath to the United States and are willing to risk their lives for our country. That is the presumption of responsibility that should be given to the men and women in uniform—exactly the opposite of the presumption of Sen-

ator SESSIONS. His presumption is that they are abusing the process and we will take a second look at it and we will let them come up with more documentation to prove they are not abusing the process.

The last thing my amendment does is to go after the most abusive creditors of the military men and women in America today. I showed the illustrations earlier. Can you imagine that a loan company would actually say to a sailor, airman, a marine, or soldier, we will loan you the money, but we want you to pledge as collateral for the loan your military retirement pay or your disability pay for your injury overseas serving America? They do it. Maybe they are not supposed to. They do it. And they charge these men and women in uniform the most outrageous interest rates in America. It ought to make the credit card companies blush. These pay day lenders charge 100 percent, 200 percent, 400 percent for these soldiers who are trying to keep their families together while they are serving America. My bill, quite honestly, says we are not going to give those creditors a day in court. Those creditors who charge over 36 percent a year in terms of loans to the military cannot collect them in bankruptcy.

I think that, frankly, is fair to these families because once you get into this "juice loan" racket that these payday loan companies come up with, there is no end in sight. You are sunk. Mr. President, \$3,000 in debt turns into \$20,000 before you can blink an eye.

Let me tell you a difference between what has been offered by Senator SESSIONS and what I am offering on this floor. The fact is, these groups support my amendment: the Military Officers Association of America, the Air Force Sergeants Association, the National Consumer Law Center, the National Association for the Uniformed Services, the Enlisted Association of the National Guard of the United States, and many other individual leaders in the Guard and Reserve across our country.

They are not supporting the Sessions amendment. I can understand why. They do not think our service men and women should be presumed abusive of the process. Let me tell you why we need this amendment.

In 1999, 16,000 members of the military in America filed for bankruptcy. Since then, there has been a massive activation of troops, Guard and Reserve, across America. Now we have men and women serving for long periods of time they did not anticipate, with dramatic losses in pay. This cut-back in income for these individuals is creating a great hardship.

Thirty percent of all military families report a loss of family income when the spouse is deployed. But listen to the numbers for the National Guard and Reserve. Mr. President, 41 percent of Guard and Reserve families lost income when a spouse was deployed. How do they keep it together? Some of them

rely on relatives. Mom and dad step in. They are proud of their son or daughter serving in the military, they say: We will try to keep the wife, for example, who stayed home, and the children, together, while you are overseas. Do not worry about us. Just come home safely.

They make great sacrifices. Some of them walk away from a business. Those are the ones who get hit especially hard, such as reservists who own their own business and who are activated.

Fifty-five percent of self-employed reservists lost money when they were activated. And the average loss was \$6,500. For some people, \$6,500 may not mean much. But for these families, it may tip them over the edge. You find them making sacrifices for America, and all I am asking is, if the worst outcome occurs, if service to our country leads to an economic catastrophe for a family, and they have nowhere to turn but to bankruptcy court, for goodness' sake, should not this Senate say to these men and women in bankruptcy, We are going to give you a helping hand; you reached out your hand to help America; we are going to help you in the bankruptcy court?

But, no, not with the Sessions amendment. The Sessions amendment does not give them the helping hand. The Sessions amendment presumes that they abuse bankruptcy and says to the judge: Take that into consideration if you want to let them off the hook and want to let them try again to file for bankruptcy. That is cold comfort, cold comfort to the men and women in uniform, risking their lives for America, who know, back home, the terrible economic circumstances their families are facing.

Some people think I am making this up, but I am not. The anecdotal evidence that we received from all over the United States, as well as the reports that we have had from the military groups that are supporting my amendment, tell me a lot of families are right on the edge. They may not be able to survive this situation. I talked about this gentleman, Mr. Korizon, from Schaumburg, IL, activated for the Persian Gulf war, who left behind a construction company with 26 people. After he had been activated for 6 months, he had to file bankruptcy. He served his country. He kept his word. He kept his promise. He risked his life for America. He lost his business. He filed for bankruptcy. Does he deserve any special consideration in court? The other side of the aisle says no. Get in line. Just another one of those bankruptcies. I think he does.

You take a look at SGT Patrick Kuberry, who owned a restaurant in Denver. His partner in the restaurant was also in the military. They were both activated. Before it was over—both of them activated—they lost their restaurant and filed for bankruptcy. They served our country after 9/11. They protected us, the Members of the

Senate, and our families. And they paid a heavy price. They lost the only business they had. Should they get a break in bankruptcy court? Of course they should. I think most Americans would agree they should.

The list goes on and on. I think the list tells the story. We have to be sensitive to the fact that this amendment, which I have proposed, is an amendment which addresses the most basic and fundamental need here.

Let me tell you something else. Senator HATCH of Utah came to the floor earlier. Do you know what he said? He said: I can't understand why so many more people are filing bankruptcy today. Well, he is unlikely to read this book, but I wish he would. It is called "The Two-Income Trap," by Elizabeth Warren and her daughter Amelia Warren Tyagi. She analyzes why people are filing bankruptcy. And it is not because they are immoral. People are filing bankruptcy because: Since the 1970s, the number of involuntary job losses is up 150 percent. Since the 1970s, wage earners missing work due to illness or disability are up 100 percent, divorce is up 40 percent, people losing health insurance is up 49 percent, wage earners missing work to care for a sick child or elderly family member is up 1,000 percent-plus.

Now, add to these circumstances the possibility that you just received notice that your Guard unit has been activated, and you have a sick parent at home and you wonder: How in the heck am I going to keep this together? I was here working my job, trying to be a good son, a good daughter, trying to take care of my parent. What is going to happen? How am I going to meet this need?

These are real family circumstances of people who serve in the military. All I am asking is to make sure that if the worst thing happens, if they have to go to bankruptcy court, not that they get off the hook—they are not asking for that—but only that they get fair treatment. I knew the credit industry would oppose this amendment. I knew they would oppose it because I went after the payday loans and these "juice loan" rackets that are taking advantage of the military. They all gather together when you go after one of their own. The predators are treated just like those who are supposed to be respectable. And that is a shame.

I think the credit industry should sit down and have a balanced bill. And I think they ought to sit down at night and thank their lucky stars that men and women in this country step forward every single day and volunteer to keep us safe, to protect our homes and protect our Nation. Is it too much to ask the credit card industry and this big bank lobby that is behind this bill to give them a break in bankruptcy court if the bottom falls out while they are serving America? I cannot imagine it is.

Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I just want to say how strongly I value the contribution of our men and women in uniform. When I was in the Army Reserve I had the opportunity and the honor to call employers of service men and women whom we believed may have been discriminated against because they were fulfilling a military obligation. When I was a U.S. attorney, I filed a lawsuit against a business that terminated someone I believed, and the jury agreed, had been terminated at least in part because of them being a member of the Guard and Reserve.

We need to make sure our military men and women are protected and that they cannot be taken advantage of. I was in Iraq in January, and I met with soldiers there. One told me about his house. He was not able to keep up the payments. I asked him if he knew about the Soldiers and Sailors Relief Act, and he said yes, that was protecting him. Under that act his house could not be foreclosed on. And JAG officers, back there, helped him deal with that. But he was sharing with me one of his frustrations. He also told me he planned to re-enlist.

But I must react adversely to my colleague's statement that the amendment I offer, which expands protections and guarantees certain protections for military personnel over the present language in the statute, presumes military people who file bankruptcy to be abusers. Now, that is not so.

Look. This is the deal. Let's be real frank about it. What he is raising fundamentally is simply whether a person ought to be handled under chapter 13 or under chapter 7. If a military person's income falls below that of the median income in America, he can file chapter 7 and wipe out every debt he has—zilch, zero, walk away free—just like any other American can. And that has not been changed. And as Senator HATCH has indicated, probably close to 90 percent of American individuals who file for bankruptcy relief will be falling in that category.

Mr. DURBIN. Will the Senator from Alabama yield for a question on my time?

Mr. SESSIONS. All right.

Mr. DURBIN. I just want to ask the Senator a question.

Is it not true that you have amended page 12, section (B)(I) of S. 256, which reads in part: "In any proceeding brought under this subsection, the presumption of abuse may only be rebutted by demonstrating special circumstances" such as being called to active duty in the Armed Forces?

So when I say you are presuming that they are abusing bankruptcy, these are the exact words of your amendment.

Mr. SESSIONS. Well, look, this is the deal. My amendment does not presume abuse. The bill already does that if you file for Chapter 7 and you have above median income. My amendment only

adds language to give examples of what a "special circumstance" could be.

This is what we are saying here. The way this statute is written, what it says is if you make above median income in America and you can pay back a portion of your debts, you should not be allowed to go under chapter 7 and wipe them all out. I don't think most military people want to be treated differently from that. If they have come back from active duty and are making \$200,000 a year or \$75,000 or \$100,000 and they have a small amount of debt that they can pay back—it may be substantial—but an amount they can pay back, they will be able to go under chapter 13 and during that period of time the court would decide how much of the debt they should pay back based on their income. And if they have extraordinary circumstances, special circumstances as a result of their military duty, the court can exempt them from going into chapter 13, if it feels that is appropriate.

But fundamentally, this bill says if you are making a higher income and you can pay back part of it, why should you not? Not all of it. It is over 5 years. And the way they do it, the money goes to the court. Certain debts on a percentage basis are paid. And at the end of a maximum of 5 years you are wiped out. They don't make you pay for any more than 5 years. So you pay back a portion of what you owe over a period of 5 years.

This is not abusing people. These are people who have incurred debts, and they can pay some of it back. And they pay it. Most people under this legislation will fall in the other category as exists today, and they will wipe out all of their debts. So this is not abusive legislation. That is important to state.

It also specifically protects veterans who are defined by statute today as low-income veterans. They would be covered by this. There are people with medical expenses. That was defined explicitly as a special circumstance, and active-duty personnel.

As one businessman and fellow Senator indicated, we also have to be careful that if we provide too many special protections for service personnel, we could actually drive up their interest rates when they go out to borrow money because a lender may feel they are a greater risk than otherwise would be the case.

I believe we need to give our servicemembers special protections. The Servicemember Civil Relief Act does that. It provides that you cannot foreclose your home while you are on active duty. It provides that your interest rate is reduced if you incurred debts before you go on active duty. You can't exceed 6 percent. They can't take a default judgment against you while you are away. Your statute of limitation is tolled so you can file any action you have that might otherwise be fileable while you are away. You can come back and still have time to do it.

I think we ought to continue to look at it. If there are additional things

such as loans and other matters that are important for protection of our military, we need to look at it. But credit card, bank interest rates, those matters are not to be dealt with on a bankruptcy court reform bill. Those pieces of legislation are more appropriately and properly under the jurisdiction of the Banking Committee. That is where they need to be decided and debated.

Mr. BIDEN. Mr. President, I appreciate the sentiment behind Senator DURBIN's amendment, but the fact of the matter is that it is not needed. In the first instance, it is simply not the case that the means test in this bill will prevent our men and women in uniform from receiving the full protection of our bankruptcy laws.

The means test will not apply to any one in military service under the median income in their State. The median income in Delaware for a family of four is \$72,680. If a staff sergeant at Dover Air Force Base in Delaware had to file for bankruptcy, he would automatically be exempt, at his pay scale of \$34,319. So there is no way, under the means test in this bill today, that he would be denied the full protection of chapter 7. That is precisely why I insisted on that safe harbor in the means test two Congresses ago.

So the very assumption behind the amendment, that we need to exempt service men and women from the means test, is wrong. And if a pilot at Dover, who might well fall above the median income, were to file, he would only be subject to movement to chapter 13 if, and only if, he had enough income after deducting all of his normal expenses, to continue to pay some of his bills. And under chapter 13, he could keep his house and other assets, something filers under chapter 7 cannot do.

As Senator HATCH pointed out earlier, and Senator SESSIONS, too, special protections exist in current law—the Soldiers and Sailors Relief Act—that prevent foreclosure on a house, that cap interest payments. The extra protections sought by the Durbin amendment are already in place.

On the point of the payday loans, I agree that is an abuse that should be halted. Truly unscrupulous lenders that take advantage of anyone, in uniform or not, should be put out of business. But that is in fact a matter for banking regulations, not bankruptcy law. This amendment is closing the barn door after the horse is already gone.

Under the bankruptcy reform bill before us, the test to determine a filer's ability to pay specifically allows for the "special circumstances" that could reduce their ability to pay. The Sessions amendment, that we just passed, makes it crystal clear that those special circumstances include service in the armed forces—if that service puts you into a situation where you are unable to pay your legal debts. That can happen to someone called up in the re-

serves, and it is precisely why that category of special circumstances was put into the bill in the first place.

I could not support this bill if I did not believe that it is already fundamentally fair. This is a bill that received 82 votes the last time the Senate voted on it. I would never call those Senators callous or indifferent to the difficult circumstances our servicemen and women face. They are not. The Durbin amendment assumes all 82 of us got it wrong last time. I do not agree.

With the additional clarification of the Sessions amendment, I am convinced that the concerns raised by Senator DURBIN are fully addressed.

Mr. LEAHY. Mr. President, I stand to voice my support for the amendment offered by my friend and colleague, Senator DURBIN, which will protect our military servicemembers from attempts to penalize them by making it tougher for them to file for bankruptcy, even when the reason they lost all their income is because they answered the call of duty to serve America. I am proud to join my colleague as a cosponsor of this amendment.

We cannot have a thorough debate on bankruptcy reform without considering the economic hardships faced by servicemembers and their families. Calls to serve their country in Iraq, Afghanistan, or elsewhere can cause loss of family income, the closing of a family business, or unexpected expenses. Unfortunately, it is not uncommon for servicemembers and their families to be forced into filing for bankruptcy relief. We need to protect those who are fighting for us.

I support Senator DURBIN's efforts to protect our soldiers, particularly young recruits and junior officers, from sales of inappropriate insurance and investment products on military bases. It is crucial that servicemen and women who sacrifice for their country not be exploited or taken advantage of through dishonest business practices. It is our duty to ensure that America's military personnel are offered first-rate financial products so they can provide for their families and invest in their futures.

I commend Senator DURBIN for his leadership on this issue, and I urge my colleagues to accept his amendment so we can remedy the financial hardships faced by servicemembers who serve our nation and their families.

AMENDMENT NO. 23

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] proposes an amendment numbered 23.

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

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

The amendment is as follows:

(Purpose: To clarify the safe harbor with respect to debtors who have serious medical conditions or who have been called or ordered to active duty in the Armed Forces and low income veterans)

On page 12, line 10, insert after "special circumstances" the following: " , such as a serious medical condition or a call or order to active duty in the Armed Forces, to the extent such special circumstances".

On page 18, line 4, insert after "debtor" the following: " , including a veteran (as that term is defined in section 101 of title 38),".

Mr. SESSIONS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alabama has 15 minutes.

(Disturbance in the Visitors' Galleries.)

The PRESIDING OFFICER. The Sergeant at Arms will restore order in the gallery.

The Senator from Alabama.

Mr. SESSIONS. I thank the Chair.

I do not believe our service men and women should be insulted or are being insulted by the amendment I offered to ensure that they have certain special categories of protection under this act. I think they will welcome the amendment. I do not believe, however, that we need to change the overall idea and concept of the legislation, that homestead should be decided by the States and not by this Federal legislation. And if a serviceman is unable to pay his debts, he will be able to file bankruptcy against those. He will be able to wipe out all those debts. If he is able to pay back a portion, like any other citizen, he would be required to pay back that portion under this legislation. I think that is fair.

We need to be careful that they are not in any way adversely impacted by being overseas defending the interests of this country. I do not believe they are under this legislation.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator from Alabama. This exchange is a rare and a good occurrence. As I said before, it is dangerously close to debate which we occasionally have in the Senate. I thank the Senator from Alabama for being here, even though we are on polar opposite sides of the debate. There should be more conversation and dialog on the floor such as this, a competition of ideas.

Nothing I said about his amendment reflects on him or his respect for the military. He has served in the military. I have not. I have great respect for him for having done that. But what I am trying to do with this amendment is to show what I think is appropriate respect to the men and women serving in uniform.

The point I made earlier was that the section of the underlying bill where people are presumed to have abused bankruptcy—in other words, they can pay their debts, but they try to get discharged from bankruptcy from their debt—that section is what the Senator from Alabama amended. So he puts

into that section the requirement that the court take a look at the fact that the person filing bankruptcy may be in the military. That is all. That is the only point I am trying to make. I do not question his respect for the military in any way at all.

His amendment misses the point completely. Instead of presuming that the men and women who serve our country are abusing the bankruptcy laws when they go to file bankruptcy, I say stick to the current law. The current law allows a bankruptcy judge to make this determination. The new proposal by Senator SESSIONS, the one we are about to vote on, would require the service man or woman to file copious documents, incur additional legal costs, and then, if they are presumed to be abusing bankruptcy, to go through it all over again. What I am trying to do is spare them from that, and maybe it is soft on my part. Maybe I am not tough enough. I am trying to spare them because they are sparing me the worry about the safety of this country. They are serving this country in uniform. They are risking their lives. Yes, maybe I am going a little further than some would. I don't think it is an unreasonable leap. We understand the economic hardships that activation in the military can lead to.

Let me say a word about what used to be known as the Soldiers and Sailors Relief Act, now the Servicemembers Civil Relief Act.

The Senator from Alabama continues to return to it, saying this is their protection. Well, there is some protection in this law as it currently exists, but not nearly enough. This law, as currently written, does not apply to debts incurred after military service begins. So if you are in the military service and have debts that are incurred because you are overseas—your family debts that could lead you into bankruptcy—there is no protection from the Servicemembers Civil Relief Act. The protections are not automatic. You have to go to court and fight for them, too. Imagine that, fighting for your country overseas and being worried about fighting legal battles back home for lien enforcement on autos and other personal property being taken by self-help repossession. It doesn't fully protect servicemembers' spouses or dependents. These protections are not absolute.

If the creditor can show that the proceedings he instituted do not materially affect the serviceman, they can go forward. This bill, as written, doesn't stop debt collection harassment. This bill, as written, is providing protection that is only temporary at best and not long-term solutions to financial problems.

A member of my staff is active military and he is on detail to my office. I always go to him and ask him about these ideas, because he sees it from the eyes of a serviceman. He sent me a little note about Senator SESSIONS' amendment. He says it keeps the

troops subject to the means test, but would allow a call or order to active duty in the armed services, to the extent that such special circumstances justify additional expenses or adjustments of current monthly income. This puts the service member at the mercy of someone else's opinion as to what was justified, what was reasonable. He gives an example, and a good one:

Suppose a soldier decides to keep his family in their home rather than move them in with his parents while he is deployed. You can understand why he might—the comfort of their home, schools the kids are used to. Instead of picking them up and saying I am going overseas and you are moving in with mom and dad, he says stay in the home. Senator SESSIONS' amendment would force that soldier to justify his decision to keep the family in their home, made under circumstances that few outside the military can appreciate. What may seem like a reasonable alternative—picking up the wife and kids and sending them to mom's and dad's house to live in the basement, or in an extra bedroom, may not be reasonable in that soldier's eyes.

What I am asking my colleagues in the Senate is, when you look at this Bankruptcy Code, join me in saying if we are going to give special consideration and help to the men and women in uniform—I don't think that is an unreasonable thing to do; I think we owe it to them—they ought to have a chance to go to court and be spared from this harsh means test and everything included in this bill to prove up where you stand. The judge, the trustee in bankruptcy, and others are going to make the ultimate decision as to whether you receive your bankruptcy.

Secondly, moving these soldiers all around the United States—at least if they file for bankruptcy, give them an option to choose an exemption under Federal law for personal protections and a \$75,000 homestead exemption.

Finally, let me say this to these predatory lenders, the payday loan companies. The argument is if you treat them harshly in bankruptcy court, they may not be able to offer these 100-percent, 200-percent, 400-percent interest loans. I hope they go out of business tomorrow, to be honest. A lot of them are snaring these unsuspecting soldiers and marines and sailors into debt they can never get out from under. I think it is horrendous that men and women who serve our country should be subjected to that. I don't think a 36-percent a year annual interest rate, which we allow in the Durbin amendment, is unreasonably low. I think it is a reasonable return for a loan in most circumstances. It is far more than people pay for cars or homes today. They may pay that much on credit cards, if they are not careful. But to say the payday loan lenders are not going to have their day in court to exploit the men and women in uniform, I think, is a reasonable conclusion. It is a conclusion, frankly, that was joined in by a number of military groups that have endorsed this amendment.

For those colleagues following this debate, let me say that, to my knowledge, the Sessions amendment has no support from military families and support groups. It may have the support of the payday loan companies and some of the credit card companies and banks. But supporting my legislation are the Military Officers Association of America, Air Force Sergeants Association, National Association for the Uniformed Services, and the Enlisted Association of the National Guard of the United States. I will stand with my supporters and ask my colleagues to join me in that effort.

Mr. President, at this time I will yield the floor and reserve the remainder of my time. We are under a unanimous consent request, and I note that Senator LEAHY of Vermont has come to lay down an amendment.

If I may get the attention of the Senator from Alabama for a moment. Senator LEAHY is here to lay down an amendment. I would appreciate it if we can amend our unanimous consent request to give the Senator 7 minutes and protect and preserve the time we have remaining in debate.

Mr. SESSIONS. That is acceptable to me.

Mr. DURBIN. Mr. President, I ask unanimous consent that Senator LEAHY be allowed to lay down his amendment and to speak for 7 minutes, and that we return to debate and the previous unanimous consent request.

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

AMENDMENT NO. 26

Mr. LEAHY. Mr. President, I thank the Senator from Illinois and the Senator from Alabama for their usual courtesies. I ask unanimous consent that it be in order to set aside, under our understanding, the pending amendment so I might introduce an appropriately referred amendment for myself, Senator SNOWE, and Senator CANTWELL.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Ms. SNOWE, and Ms. CANTWELL, proposes an amendment numbered 26.

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

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

The amendment is as follows:

(Purpose: To restrict access to certain personal information in bankruptcy documents)

On page 132, between lines 5 and 6, insert the following:

SEC. 234. PROTECTION OF PERSONAL INFORMATION.

(a) RESTRICTION OF PUBLIC ACCESS TO CERTAIN INFORMATION CONTAINED IN BANKRUPTCY CASE FILES.—Section 107 of title 11, United States Code, is amended by striking subsection (b), and inserting the following:

“(b) On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court’s own motion, may, protect a person with respect to a trade secret or confidential research, development, or commercial information.

“(c) The bankruptcy court, for cause, may protect an individual, with respect to—

“(1) any means of identification (as defined in section 1028(d) of title 18) contained in a paper filed, or to be filed, in a case under this title; or

“(2) information contained in a paper described in paragraph (1) that could cause undue annoyance, embarrassment, oppression, or risk of injury to person or property.”.

(b) SECURITY OF SOCIAL SECURITY ACCOUNT NUMBER OF DEBTOR IN NOTICE TO CREDITOR.—Section 342(c) of title 11, United States Code, is amended—

(1) by inserting “last 4 digits of the” before “taxpayer identification number”; and

(2) by adding at the end the following: “If the notice concerns an amendment that adds a creditor to the schedules of assets and liabilities, the debtor shall include the full taxpayer identification number in the notice sent to that creditor, but the debtor shall include only the last 4 digits of the taxpayer identification number in the copy of the notice filed with the court.”.

Mr. LEAHY. Mr. President, the reason for this amendment—and I realize we will not vote on it today and we may vote on it tomorrow, although it may well be accepted—is one of the facts we have today.

The bankruptcy process requires the submission of many documents containing highly personal information. But we must be careful that our efforts to require documentation for accuracy and accountability do not inadvertently create problems for privacy and security.

We are in an age where personal information can be easily digitized and shared, and when it falls into the wrong hands, easily abused.

Identity theft is one danger. We have only to look to the recent debacle of Choicepoint selling the personal data of 145,000 individuals to scam artists. Many of these individuals have already become victims of identity theft, and they are not alone. Last year alone, 9.3 million people were victimized by identity theft. Another danger is tracking or harassing a former battered spouse. We need to minimize these possibilities, while still allowing for accountability.

We took an important first step by ensuring privacy protections for databases of personal information that become assets in bankruptcy. I was pleased to work closely with my colleagues in providing this protection.

But our responsibilities didn’t end there. We also need to ensure reasonable privacy protection for personal information that is submitted by the debtors. I am submitting an amendment that will do just that by enhancing the court’s discretion to protect personal information, and by requiring truncation of social security numbers in publicly filed documents. The Judicial Conference supports this amendment and I will ask unanimous consent

that the Judicial Conference letter supporting the amendment be printed in the RECORD.

I am pleased that my colleagues Senator SNOWE and Senator CANTWELL have agreed to co-sponsor this amendment. They have been leaders on privacy issues, and I appreciate their support.

First, the amendment addresses court discretion in several ways. It allows the court, for cause, to protect personal identifiers, including the debtor’s or other person’s name, social security account number, date of birth, driver’s license number, passport number, employee or taxpayer identification number, and unique biometric data. The personal identifiers protected under this provision are the same ones defined as “means of identification” under the Identity Theft Assumption Deterrence Act of 1998. This definition is codified as Section 1028(d) of Title 18 of the criminal code.

The amendment also allows the court, for cause, to seal or redact “information that could cause undue annoyance, embarrassment, oppression or risk of injury to person or property.” This standard is drawn from the current civil procedure discovery rules—Fed. Rule of Civ. Procedure 26—and would replace the existing standard in bankruptcy court, which only protects individuals against “scandalous or defamatory matter.” This change would allow the court to protect information, such as the home or employment address of a debtor, because of a personal security risk, including fear of injury by a former spouse or stalker. It would also allow the court to protect other information normally considered private, such as medical information.

The amendment would also provide persons the opportunity to request protection of sensitive information not only after it is filed with the court, but prior to filing as well. This protection is particularly important in an electronic filing environment, where information once filed is immediately available to the public.

In addition to enhancing court discretion, the amendment also protects social security numbers. Currently, the bankruptcy code requires debtors to include their tax payer identification numbers, which for individuals is almost uniformly his or her social security number, on any notice the debtor gives to creditors.

Because these notices are also filed with the court, the court’s files routinely include unredacted social security numbers, creating the potential for abuse by those accessing public court records.

The amendment would simply allow debtors to limit disclosure to only a part of his or her social security number in notices that it files with the court. Specifically the notice to the court would include only the last four digits. The amendment still protects creditors where necessary, and specifies that creditors who are on the

schedule of assets and liabilities should receive the full tax payer identification number in the notices sent specifically to the creditor.

The idea of truncation isn't new. Just last year, we passed the Fair and Accurate Credit Transactions Act of 2003, and that Act required truncation of credit card and debit card numbers on receipts given to cardholders. Under that law, only the last 5 digits of credit card and debit card numbers can be printed.

Requiring truncation for social security numbers is similarly reasonable. It provides protection against abuse, but still allows for important information sharing to take place.

The bankruptcy process requires submission of many documents containing highly personal information. I spoke about this on the floor yesterday. We must be careful that our efforts to require documentation for accuracy and accountability do not inadvertently create problems for privacy and security.

We are in an age where personal information can be easily digitized and shared, and when it falls into the wrong hands, easily abused. We know what happens with identity theft. Look at the totally irresponsible, outrageous, unbelievable debacle of Choicepoint, selling the personal data of 145,000 individuals to scam artists. It is hard to think of anything being done more irresponsibly than the executives at Choicepoint, unless it is the executives of Bank of America, who ship the data of their customers by commercial airplane—the same kind of flight we have all taken, and all of us have lost luggage. I said yesterday maybe their executives fly by private planes and they don't know what it is like to fly commercial. The point is their irresponsibility.

Many of the individuals who have had data stolen become victims of identity theft. There were 145,000 individuals whose data was compromised with Choicepoint that we know of now. Some have already become victims of identity theft. Last year alone, 9.3 million people were victimized by identity theft. Another danger is tracking or harassing a former battered spouse. I want to make sure we keep accurate information and that people have to say who they are, but we don't want to allow somebody to go into electronic court files and get Social Security numbers and names and addresses and everything else, and then use that information for identity theft or worse. We need to minimize these possibilities, while still allowing for accountability.

We took an important first step by ensuring privacy protections for databases of personal information that become assets in bankruptcy. I was please to work with my colleagues in providing this protection. But our responsibilities did not end there. We also need to ensure reasonable privacy protection for personal information

submitted by the debtors. This amendment will do that by enhancing the court's discretion to protect personal information, and by requiring truncation of social security numbers in publicly filed documents.

I have a letter from the Judicial Conference of the United States, Chief Justice Rehnquist presiding, in which they support this amendment. They strongly support this amendment. These are the courts that are going to have to enforce this.

I ask unanimous consent that the Judicial Conference letter supporting the amendment be printed in the RECORD.

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

JUDICIAL CONFERENCE
OF THE UNITED STATES,

Washington, DC, February 25, 2005.

Hon. PATRICK J. LEAHY,
*Ranking Democrat, Committee on the Judiciary,
U.S. Senate, Washington, DC.*

DEAR SENATOR LEAHY: I am writing today to express the Judicial Conference's support of two proposed amendments to the "Bankruptcy Abuse Prevention and Consumer Protection Act of 2005" (S. 256). Both amendments to the bill would amend the Bankruptcy Code to effect the Judicial Conference's privacy policy and protect confidential or sensitive information from public disclosure. Your support of these amendments to pending bankruptcy reform legislation would be greatly appreciated.

SECTION 107 OF THE BANKRUPTCY CODE

This amendment would implement Judicial Conference policy regarding protection of certain information contained in bankruptcy case files from public disclosure by means of four revisions to section 107 of the Bankruptcy Code. First, the amendment would transform former subsection (b)(1) regarding protection of trade secret or confidential research, development, or commercial information into a new subsection (b). No substantive change would be made to this provision.

Second, the amendment would create a new subsection (c) to allow the court for cause to authorize the redaction of personal identifiers to protect a debtor, creditor, or other person from identity theft or other harm. The amendment incorporates by reference section 1028(d)(7) of title 18, United States Code, a provision of the "Identity Theft and Assumption Deterrence Act of 1998," with regard to the types of personal identifiers that may be redacted. These include the debtor's or other person's name, social security account number, date of birth, driver's license number, alien registration number, government passport number, employee or taxpayer identification number, unique biometric data, unique electronic identification number, electronic address or routing code, and telecommunication identifying information or access device. The amendment would also permit the court to exercise its discretion to protect personal identifiers by means other than redaction where appropriate in the circumstances of the case.

Third, this provision would allow the protection of information under subsection (c) "contained in a paper filed, or to be filed," in a bankruptcy case. This provision is intended to provide persons the opportunity to request protection of the information not only after it is filed with the court, but prior to filing as well. This authority would be especially useful in an electronic filing environment, where information once filed is immediately available to the public.

Finally, this new subsection (c) would have the effect of striking from the current provision "scandalous or defamatory matter" as a basis for protection of a person and instead allow the court for cause to seal or redact "information that could cause undue annoyance, embarrassment, oppression or risk of injury to person or property." This language is drawn from Federal Rule of Civil Procedure 26 regarding the issuance of protective orders in the course of discovery. This new provision would expand the authority of the bankruptcy court to allow the court to protect information, such as the home or employment address of a debtor, because of a personal security risk, including fear of injury by a former spouse or stalker. It would also allow the court to protect other information normally considered private, such as medical information which, if publicly disclosed, could result in untoward consequences to the debtor or others.

SECTION 342(C) OF THE BANKRUPTCY CODE

This amendment to the bill would amend section 342(c) of the Bankruptcy Code to implement Judicial Conference policy that social security account numbers be protected from public disclosure in court documents.

Section 342(c) of title 11, United States Code, currently requires a debtor to include his or her taxpayer identification number, which for an individual is almost uniformly his or her social security account number, on any notice the debtor gives to his or her creditors. Debtors are required to give such notice in various contexts, including the filing of adversary proceedings, such as a complaint to determine the dischargeability of a debt, or contested matters, such as a motion to avoid a lien impairing an exemption.

As a copy of such notice is required to be filed with the court, court files routinely include unredacted social security account numbers of debtors. By requiring only the last four digits of a taxpayer identification number to appear in the notice, the debtor's full social security account number will no longer appear in the court file and thus be protected from public disclosure.

The amendment also adds a provision to section 342(c) to require that adequate notice of the bankruptcy filing is given to a creditor who is added to the case after the initial notice of the case has been sent. The taxpayer identification number would be treated in the same manner in the notice to a newly added creditor as the number was treated in the initial notice to the original creditors. The debtor is directed to send to the newly added creditors a notice of the bankruptcy filing containing the debtor's full taxpayer identification number, but to include only the last four digits of the number in the copy of the notice filed with the court.

Thank you for your consideration of these proposed amendments. If you have any questions or concerns, please have your staff contact Michael W. Blommer, Assistant Director, at (202) 502-1700.

LEONIDAS RALPH MECHAM,

Secretary.

Mr. LEAHY. Mr. President, I am pleased my colleague from Maine, Senator SNOWE, and my colleague from Washington State, Senator CANTWELL, have agreed to cosponsor this amendment. They both have been leaders of privacy issues. I appreciate their support.

Here is what the amendment does: It addresses court discretion in several ways. It allows the court for cause to protect personal identifiers, including the debtor's or other person's name,

Social Security account number, date of birth, driver's license number, passport number, employee or tax identification number, and unique biometric data. The personal identifiers protected under this provision are the same ones defined as "means of identification" under the Identity Theft Deterrence Act of 1998. This definition is codified in Section 1028(d) of Title 18 of the criminal code.

The amendment also allows the court, for cause, to seal or redact "information that could cause undue annoyance, embarrassment, oppression or risk of injury to person or property." This standard is drawn from the current civil procedure discovery rules. This change would allow the court to protect information, such as the home or employment address of a debtor because of a personal security risk. Unfortunately, many times that risk is from a former spouse or a stalker. It would also allow the court to protect other information normally considered private, such as medical information.

The amendment would provide persons the opportunity to request protection of sensitive information not only after it is filed with the court, but prior to filing as well. This protection is particularly important in an electronic filing environment, where information once filed is immediately available to the public.

In addition to enhancing court discretion, the amendment also protects Social Security numbers. Currently, the bankruptcy code requires debtors to include their tax payer identification numbers (which for individuals is almost uniformly his or her social security number) on any notice the debtor gives to creditors. Because these notices are also filed with the court, the court's files routinely include unredacted social security numbers, creating the potential for abuse by those accessing public court records.

This amendment would simply allow debtors to limit disclosure to only a part of his or her social security number in notices filed with the court. Specifically the notice to the court would include only the last four digits.

This amendment still protects creditors where necessary, and specifies that creditors who are on the schedule of assets and liabilities should receive the full tax payer identification number in the notices sent specifically to the creditor. What it means is somebody cannot get on line, get all this information, sell it, or do whatever they want to.

The idea of truncation isn't new. Just last year, we passed the Fair and Accurate Credit Transactions Act of 2003, and the Act required truncation of credit card and debit card numbers on receipts given to cardholders. Under that law, only the last 5 digits of credit card and debit card numbers can be printed. Requiring truncation for social security numbers is similarly reasonable. It provides protection against abuse, but still allows for important information sharing to take place.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Alabama.

Mr. SESSIONS. Mr. President, I note that with regard to, I believe the new name for it is the Servicemembers Civil Relief Act, which is the updated Soldiers and Sailors Relief Act, is a good piece of legislation. It provides tremendous protection for our men and women who have been called to active duty and sent around the world to defend our interest. It is very important legislation. We updated it not too long ago, in 2003. Maybe it needs to be updated again.

A bill structuring the rules of procedure for a bankruptcy in America is not the place to enter into debate about the refined procedures that might be necessary to give greater protection than we give today to our service men and women.

I suggest very strongly that to those who disagree there are enough protections, let's consider that. Let's look at that and see if we can do a better job of providing relief. The danger we get into is this: If we start amending what homestead is and having a Federal law dominate state homestead laws, which has not been done in our history, is not the current law, and we have rejected time and again in many different ways, I think we jeopardize the bipartisan consensus we had that led to a vote that passed this legislation last time without the Sessions amendment, which I think provides additional benefits for servicemen. We passed it 83 to 15. I think one time it passed with 97 to 1 votes; another time 78 votes. This is legislation that has had four markups in the Judiciary Committee. We debated it there. We have had long debates on the floor. As a matter of fact, as I recall, we spent 2 weeks on it every time it has been before the Senate, and it is projected we might go 2 weeks again on this legislation.

I know my friend from Illinois is concerned about soldiers. I also know he does not support the bill, or at least has not been a supporter of it. I expect it would not hurt his feelings if this amendment, which would upset the agreements we reached on homestead, led to the defeat of the bill. It would not hurt him at all. We had a Schumer amendment last time on a very discrete issue, a very controversial issue that ended up blocking final passage of the bill. We do not need to do that this time.

I believe there are strong protections for our service men and women. I do not think, as a matter of principle, that a serviceman should be exempt from the means test. The means test is not harsh. It does not mean "mean;" it means "means," income, how much is your income, and if your income is above the median income in America and you can pay back some of those debts, I think anybody ought to do that, if they can. That is the principle of the bill.

We proceed at some risk when we start carving out exceptions. Senator FEINGOLD wants to change the homestead exemption for those over 62. I see the Chair, a distinguished new Senator with a young family. There are a lot of young people out here who bought a house. If we change the homestead law, why just do it for seniors? Why not for everybody? Maybe a family with two or three kids needs protection more than somebody who is 62. I don't know. I am saying, we have dealt with those issues. We have decided we would allow the States to set the homestead limit. That was a good decision, a defensible decision. That is one as a Senate, each time it has come forward, that we have reached that agreement, and I believe we ought to stay with it.

I do not think it reflects any diminishment or lack of respect for the men and women in uniform. I respect them. I care about them. We have done many things for them and I want to do more. I was proud to sponsor the legislation that increased the death benefits from \$12,000 to \$100,000 and increased the servicemen group life from \$250,000 to \$400,000. The President has submitted that as part of the supplemental. I hope we get that done. We need to do a lot of things for our military, but altering the bankruptcy bill under the guise of helping our military in a way that could actually jeopardize a bipartisan consensus would be the wrong approach.

I am concerned about it. For that reason I have to object to the Durbin amendment and suggest the amendment I have offered will do the things he wants to see done or needs to be done without jeopardizing our consensus.

I yield the floor and reserve the remainder of my time.

Mr. DURBIN. Mr. President, how much time is remaining in the debate?

The PRESIDING OFFICER. There is 2 minutes 34 seconds remaining in debate.

Mr. DURBIN. On which side?

The PRESIDING OFFICER. On the Senator's side, and 7½ minutes for the Senator from Alabama.

Mr. DURBIN. If only 2½ minutes remain on our side, if I can get the attention of the Senator from Alabama, if he is prepared to close the debate—I ask the Senator from Alabama, it is my understanding he has 7½ minutes remaining; I have 2½ minutes remaining, and 2½ minutes is all I need to close. I do not know if the Senator from Alabama wants to use up more of his time and even it out.

Mr. SESSIONS. In my litigation experience, the plaintiff gets the final word. So the Senator should use his time and I will finish. I may yield back some of that time.

Mr. DURBIN. Fine. Let me do that, then. I ask unanimous consent that before we vote on the Durbin amendment, we have 4 minutes equally divided to explain our positions on the Durbin amendment.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. I do not have any objection.

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

Mr. DURBIN. The first vote for my Senate colleagues will be on the Sessions amendment. The Sessions amendment changes S. 256, the bankruptcy bill, in the section where the bill establishes a presumption that people are abusing bankruptcy. In other words, they are not entitled to bankruptcy. The Sessions amendment says that the judge should consider whether the person who has filed for bankruptcy is in the active military service and is therefore a special circumstance. So Senator SESSIONS leaves the military men and women in the section of this bill where one presumes to be abusing the law. I do not approach it in that way at all, and that is the reason why the military groups and families are supporting my amendment and not the Sessions amendment.

As I said earlier, Senator SESSIONS certainly respects the military, but we can show our respect for the military by saying if they are activated to serve this country, if they are removed from their family, removed from their job, removed from their business, and terrible things happen and the business fails or their family goes into bankruptcy and they have to go back to America with their life and limbs intact and file in bankruptcy court, we are going to give them special consideration. They did something special for America; we are going to do something special for them. We are not going to make them jump through all the hoops that have been created by this new bankruptcy law that are expensive, time consuming, and loaded with documents that need to be filed. We are going to protect their home for \$75,000 worth at least, wherever they happen to be assigned in the military. We are going to protect their basic possessions that they can have after the bankruptcy is over, and we are not going to protect those creditors and lenders which abused them by charging interest rates which were sky high. We will not give them their day in court.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DURBIN. I urge my colleagues to oppose the Sessions amendment and support the Durbin amendment, which has the endorsement of the military groups and families.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I will make a few general points. This is not a harsh bill. People who make below median income can use the same bankruptcy procedures they always have. Spouses and children are going to have a tremendously better position in this bankruptcy bill vis-a-vis their alimony and child support payments than we have ever given them before. There are a lot of good things in this bill.

I reject the suggestion that this is a bill written by credit card companies to meet their special interests. What we have is a bankruptcy court system that is not working well. It is being abused in a lot of different ways.

I do not know how we came up with the idea to use the language—and the Senator is correct, it does say abusing the system. It could just as well as have said people who make above median income will not be guaranteed not to pay back some of their debts because, as a matter of policy, the Congress has decided that if they make above median income and can pay some of their debts back over a period of up to 5 years, if the Court so declares, then they ought to pay some of that back. I do not think that is harsh or mean. And all other debts are being wiped out. People cannot sue you, creditors cannot call on you. Your phones cannot be stopped. People can be fined if they harass you for the collection of those debts. That is not a harsh thing.

The way it was written, it uses that word “abusive,” that we consider it an abuse if you file to wipe out all of your debts when you have a higher income. It might have been better to have said we just do not think you ought to not pay something back if you make above median income. That is the way lawyers write language and that is the way we stuck with it, but it should not be taken in any personal way. It is just a statement of policy of the Congress about who ought to pay back their debts.

There is talk like it is a credit card company's fault that someone takes their card and goes out and runs up \$3,000 or more in debts on that card, and it is their fault if someone does not pay it back, that they deserve what they get and they gave away \$3,000. Who pays for that? It is the consumers in the long run who pay for that.

It has been said that they send credit cards to children. Under American law, if a young person receives a credit card and actually goes out and uses it and it is in his or her name, they do not ever have to pay a dime back. A minor is not bound by such a contract as that. The credit card company would be the total loser in that arrangement.

They are bringing all these issues up about credit cards. They bring the issues up about health care and insurance and people who do not have insurance or do have insurance. They raise the question of the military. They raise the question of old people. But I just point out that we have considered all of that. We have considered that for 8 years now in great detail, and we have hammered out a bill that I believe is fair and just and has received 83 votes in this body last time for final passage. I believe we will see another big vote this time.

The amendment I have offered is a fair solution to the concern of our military men and women. If it is not, we ought to look at the Soldiers and Sail-

ors Relief Act and see if we can make it stronger if that is the right step. Let us keep the bankruptcy law, the court procedures of the Federal bankruptcy system, consistent and harmonious with the philosophy we started with and have carried on with this bill.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that Senator MIKULSKI be added as a cosponsor to my amendment.

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

Mr. SESSIONS. Mr. President, I believe the Sessions amendment is before the body. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

Does the Senator from Alabama yield back his remaining time?

Mr. SESSIONS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to amendment No. 23.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Minnesota (Mr. COLEMAN), the Senator from Texas (Mr. CORNYN) and the Senator from Virginia (Mr. WARNER).

Further, if present and voting, the Senator from Minnesota (Mr. COLEMAN) and the Senator from Texas (Mr. CORNYN) would have voted “yea.”

Mr. DURBIN. I announce that the Senator from Minnesota (Mr. DAYTON) and the Senator from Hawaii (Mr. INOUE) are necessarily absent.

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

The result was announced—yeas 63, nays 32, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—63

Alexander	DeMint	Lugar
Allard	DeWine	Martinez
Allen	Dole	McCain
Baucus	Domenici	McConnell
Bennett	Ensign	Murkowski
Biden	Enzi	Nelson (FL)
Bond	Feinstein	Nelson (NE)
Brownback	Frist	Roberts
Bunning	Graham	Santorum
Burns	Grassley	Sessions
Burr	Gregg	Shelby
Byrd	Hagel	Smith
Carper	Hatch	Snowe
Chafee	Hutchison	Specter
Chambliss	Inhofe	Stevens
Coburn	Isakson	Sununu
Cochran	Johnson	Talent
Collins	Kohl	Thomas
Conrad	Kyl	Thune
Craig	Lincoln	Vitter
Crapo	Lott	Voinovich

NAYS—32

Akaka	Corzine	Jeffords
Bayh	Dodd	Kennedy
Bingaman	Dorgan	Kerry
Boxer	Durbin	Landrieu
Cantwell	Feingold	Lautenberg
Clinton	Harkin	Leahy

Levin	Pryor	Sarbanes
Lieberman	Reed	Schumer
Mikulski	Reid	Stabenow
Murray	Rockefeller	Wyden
Obama	Salazar	

NOT VOTING—5

Coleman	Dayton	Warner
Cornyn	Inouye	

The amendment (No. 23) was agreed to.

The PRESIDING OFFICER. The Democratic leader.

Mr. REID. Mr. President, would the suggestion of an absence of a quorum be in order?

The PRESIDING OFFICER. It would.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. FRIST. Mr. President, for the information of Senators, this will be the last rollcall vote tonight. We will be coming in tomorrow at 9:15. We will have 1 hour of morning business. After that morning business, we will have two rollcall votes in all likelihood. So we need people back early in the morning. After that, another amendment will be introduced, and we may well have another vote prior to lunch tomorrow. I have talked to the Democratic leader and the managers on both sides, and that is agreeable. This will be the last rollcall vote tonight.

AMENDMENT NO. 16, AS MODIFIED

The PRESIDING OFFICER. There are 4 minutes evenly divided. Who yields time?

The Senator from Alabama.

Mr. SESSIONS. Mr. President, the Senator from Illinois has suggested that I go first on his amendment. I know he would like to do the closing argument. He is very good at that.

The Senator from Illinois suggests that we are accusing military persons who file for bankruptcy as abusers if they qualify for the means test. That is an incorrect statement of what we are about with the amendment we just passed and what the bankruptcy bill is about. This legislation provides that if a bankruptcy filer makes above median income—this explains a lot about the bill—then absent special circumstances, a filer can be required to pay back at least a part of the debts they owe, only if they make above median income. It also provides that if their income falls below median income, they can stay in chapter 7 and wipe out all their debts just as they always have. If a debtor's income is above median income and special circumstances apply, they still may be eligible to avoid chapter 13, wipe out all their debts under chapter 7.

The amendment I just offered and just passed explicitly states that when

one is called to active military duty in the Armed Forces, that can be a special circumstance that could protect them and provide an additional opportunity to not go into chapter 13.

An expert testified at the committee last week that about 80 percent of the people who file are below median income and that about 7 percent in addition will qualify under the special circumstances. The amendment we just passed protects our servicemen and guarantees they will be considered under special circumstances.

We should vote down this amendment because it also sets a homestead limit in violation of State law and contrary to the philosophy of this bill.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that Senator CORZINE be added as a cosponsor of the Durbin amendment.

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

Mr. DURBIN. I yield 30 seconds to the Senator from Massachusetts, Mr. KENNEDY.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we are having a difficult time enough now in meeting our goals for the Reserve and the Guard. Unless we pass the Durbin amendment, we are going to have a much more difficult time. If you support the Guard and the Reserve and support our troops, you will support the Durbin amendment.

Mr. DURBIN. Mr. President, I thank the Senator from Massachusetts.

How many of us have seen men and women going off to serve our country to risk their lives knowing that they are leaving behind families and their businesses and knowing the economic hardship they will face? Some of them are going to be forced into bankruptcy. We have case after case where it has happened. All the Durbin amendment says is, if you have to file bankruptcy after this new bankruptcy reform bill were to become law, the bankruptcy system will consider the fact that you have served our Nation by exempting you from certain aspects of this new bill. We will not push you into a means test, but we will consider your individual circumstances.

We will give you a homestead exemption of \$75,000 regardless of where you have been assigned for military duty. We will protect your personal assets with the Federal personal exemption regardless of where you have been assigned to duty and where you have to file bankruptcy.

There are those who say this is a special favor for the armed services. It is, and I believe it should be. They risk their lives for us. They should not risk their home and their finances as well. We ought to stand behind them. Yes, you can vote for the Sessions amendment and for the Durbin amendment as well. They are not inconsistent.

The PRESIDING OFFICER. The question is on agreeing to the Durbin amendment No. 16, as modified.

Mr. DURBIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Minnesota (Mr. COLEMAN) and the Senator from Texas (Mr. CORNYN).

Further, if present and voting, the senator from Minnesota (Mr. COLEMAN) and the senator from Texas (Mr. CORNYN) would have voted "nay."

Mr. DURBIN. I announce that the Senator from Minnesota (Mr. DAYTON) and the Senator from Hawaii (Mr. INOUE) are necessarily absent.

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

The result was announced—yeas 38, nays 58, as follows:

(Rollcall Vote No. 13 Leg.)

YEAS—38

Akaka	Harkin	Nelson (FL)
Bayh	Jeffords	Obama
Bingaman	Kennedy	Pryor
Boxer	Kerry	Reed
Cantwell	Kohl	Reid
Clinton	Landrieu	Rockefeller
Conrad	Lautenberg	Salazar
Corzine	Leahy	Sarbanes
Dodd	Levin	Schumer
Dorgan	Lieberman	Specter
Durbin	Lincoln	Stabenow
Feingold	Mikulski	Wyden
Feinstein	Murray	

NAYS—58

Alexander	DeMint	McCain
Allard	DeWine	McConnell
Allen	Dole	Murkowski
Baucus	Domenici	Nelson (NE)
Bennett	Ensign	Roberts
Biden	Enzi	Santorum
Bond	Frist	Sessions
Brownback	Graham	Shelby
Bunning	Grassley	Smith
Burns	Gregg	Snowe
Burr	Hagel	Stevens
Byrd	Hatch	Sununu
Carper	Hutchison	Talent
Chafee	Inhofe	Thomas
Chambliss	Isakson	Thune
Coburn	Johnson	Vitter
Cochran	Kyl	Voinovich
Collins	Lott	Warner
Craig	Lugar	
Crapo	Martinez	

NOT VOTING—4

Coleman	Dayton
Cornyn	Inouye

The amendment (No. 16) was rejected.

Mr. SESSIONS. 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.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am glad we are now finally considering S. 256, the Bankruptcy Reform Act of 2005. Although a few amendments were accepted during the Judiciary Committee markup a couple weeks ago, and we did that to accommodate Democratic Members, this bill is practically identical to the conference report that both the House and Senate conferees signed

in the 107th Congress, minus the poison pill abortion amendment.

Many of my colleagues know I have been working on this bill for quite some time now and that there has always been strong bipartisan support for passing bankruptcy reform. I started working on bankruptcy issues in the mid-1990s, and I did that with my colleague, then-former Senator Heflin of Alabama. We served together as either chairman or ranking member of the Administrative Oversight Subcommittee for a period of, I believe, 12 years.

During this period of time, we created what became known as the National Bankruptcy Review Commission. We held numerous hearings in the subcommittee on various topics dealing with the subject of bankruptcy reform.

In the 105th Congress, Senator DURBIN and I passed out of the Senate a bankruptcy bill by a vote of 98 to 1, but it never got to conference.

In the 106th Congress, Senator Torricelli and I worked closely and negotiated many compromises. We were able to vote out of the Senate a Grassley-Torricelli bill by a vote of 83 to 14. The Senate then approved the bankruptcy conference report by a vote of 70 to 28. Mr. President, 53 Republican Senators and 17 Democratic Senators voted for that conference report, but President Clinton pocket-vetoed the bill, and although we had the votes to override it, we were, unfortunately, not to have that opportunity. That is what a pocket veto is all about.

In the 107th Congress, I introduced, with Senator BIDEN, the same language of the conference report agreed to by both the House and Senate in the previous 106th Congress.

We passed the bankruptcy bill by a strong bipartisan vote of 85 to 13, with further changes made to address concerns of Democratic Party members. We went to conference with the House and reached an agreement on a conference report. During that conference committee, numerous amendments were negotiated with Democrats who opposed the bill. We negotiated in good faith, but the inclusion of what has become known as the Schumer abortion language ultimately proved to be unacceptable to the House and we were not able to get to the finish line.

The Senate tried to address the bankruptcy bill in the 108th Congress. The House passed the conference report language without the abortion provisions, but the Senate never took it up. In addition, the House amended a Senate bill with a bankruptcy bill and requested a conference, but Senate Democrats denied us the ability to have a conference on that bill.

So after three Congresses, we are here again in the 109th Congress trying to pass bankruptcy reform. My Democratic colleagues, Senator CARPER and BEN NELSON, have joined me, as well as Senators HATCH, SESSIONS, and others, on this bill, S. 256, the Bankruptcy Re-

form Act of 2005. The bill continues in the tried and true spirit and tradition of this bill being bipartisan, so we do have that bipartisan support on its introduction, and from the votes we have had on amendments today, it looks like that bipartisanship is still going to hold. So I hope my colleagues will not be fooled when longstanding opponents to this bill, even though they may never number more than 15, vociferously claim that the bankruptcy bill is really controversial and really unnecessary because those statements, made by the very small number of people in this body who do not think we need to do anything on bankruptcy reform, everything they are saying is far from the truth.

I note that throughout the years, we really bent over backward in trying to accommodate Democratic Senators' concerns with the bill's process, even in this Congress. I do not think that it is any surprise to anyone that my position is that the bankruptcy bill is still very much simply unfinished business after all of these compromises throughout now the fourth Congress. This bill has passed both the House and the Senate a total of 11 times between these two Houses of Congress. It is about time that we get the job done now. Hence, simply unfinished business, even though some of my colleagues will try to make this be a totally brand-new debate, just like we were starting over with the purest bill that I would prefer, but because purest bills never get through the Senate, it takes bipartisanship.

We are where we are because of compromise and unfinished business, and hopefully we will move this bill to the House and to the President, somewhat I hope a repeat of what we did 3 weeks ago with the class action tort reform bill. That is why at the beginning of this Congress I reintroduced the bipartisan conference report that was arrived at in the 107th Congress with only one change, and that change is to leave the poison pill of the Schumer abortion language out of it.

Remember that this compromise that I introduced in this year, the 107th Congress, minus the Schumer amendment, otherwise is exactly the same language negotiated when the Democrats had a majority. It was two Congresses ago when Senator JEFFORDS changed from being a Republican to an Independent, sitting with the Democrats. They took over the Congress, and it is that Democratic Senate that negotiated this agreement for the Senate. That is the bill we are working on now as the underlying provision.

The Schumer abortion language that tanked the bill in the House, in the 107th Congress, is left out. Other than that, the bill was basically the exact same language that Senate Members, both Republican and Democrats, have supported.

The reason I did this is because we had reached many carefully crafted compromises and had a good bipartisan

product. I did not think that we had to go through committee this time because this bill had been done so many times before, but Majority Leader FRIST insisted that it go through regular order. The Judiciary Committee held a hearing and markup on this bill.

So my colleagues are clear, the committee accepted five amendments to further accommodate Democratic members. The committee also defeated a number of other amendments that were clearly offered to open issues and weaken the bill.

I would like to make my position crystal clear. We have all cooperated and compromised at great length in order to enact this legislation that fixes an unfair bankruptcy regime, provides new consumer protections, helps children in need of child support, and makes other necessary reforms to a system that is often open to abuse. I do not believe there is any need to reopen this bill and to disrupt those many compromises we have already reached with our Democratic colleagues, and more importantly with the House of Representatives.

I hope this clarification on the history and procedural process of the bill will show that, one, the bill is a bipartisan effort; two, that we have been working on bankruptcy reform for too long and have gone over all the fine points of the bill in great detail; and, three, that we have bent over backward to allow a fair process to move forward with this bill.

I discussed the merits of this bankruptcy reform bill. There is broad public support for reforming our bankruptcy system. The vast majority of people believe that individuals who file for bankruptcy protection should be required to pay back some of their debt if they have the ability to do so, and that is precisely what this bankruptcy bill attempts to do.

Most people think it should be more difficult for individuals to file for bankruptcy. Most Americans are tired of paying for high rollers who game the current bankruptcy system and its loopholes to get out of paying their fair share. Most people recognize that too many people are filing for bankruptcy. Too many people are gaming the system, and the numbers are up in historically high proportions in recent years that prove that. Bankruptcy filings were at an alltime high even during the boom years of our economy. Opponents to the bill act as if there is nothing to worry about, but the fact is we have a bankruptcy crisis on our hands.

I want to visit with my colleagues about how this bill will change the way bankruptcy is being treated. Simply put, bankruptcy is a court proceeding where people get their debts wiped away. Every time a debt is wiped away through bankruptcy, somebody loses money. Of course, that is common sense, and when somebody who extends credit has their obligations wiped away in bankruptcy, they are forced to make a decision. Should this loss simply be

swallowed as the cost of doing business or are prices raised for other customers to make up for another's losses?

Presently, when individuals file for bankruptcy under chapter 7, a court proceeding takes place and their debts are simply erased. But every time a debt is wiped away through bankruptcy, someone loses money. When someone loses money in this way, he or she has to decide to either assume that loss as a cost of business or raise the price for other customers to make up for that loss.

When bankruptcy losses are infrequent, lenders maybe are able to swallow that loss. But when they are frequent, lenders need to raise prices for other consumers to offset their losses. These higher prices translate into higher interest rates for future borrowers. The result of the bankruptcy crisis is that hard-working, law-abiding Americans have to pay higher prices for goods and services because somebody else did not make good on their obligations to pay. This bill would make it harder for individuals who can repay their debt to file for bankruptcy under chapter 7. This would lessen, then, the upward pressure on interest rates and prices. It is only fair to require people who can repay their debts to pull their own weight. But under current bankruptcy law, an individual can get full debt cancellation in chapter 7 with no questions asked.

The Bankruptcy Reform Act of 2005 asks the very fundamental question of whether repayment is possible by an individual. It is this simple: If repayment is possible, then he or she will be channeled into chapter 13 of the Bankruptcy Code which requires people to repay a portion of their debt as a precondition for limited debt cancellation. In other words, people who have the ability to pay will not get off scot-free anymore.

This bill does this by providing for a means-tested way of steering people who are filers, who can repay a portion of their debts, away from chapter 7 bankruptcy. This test employs a legal presumption that chapter 7 proceedings should be dismissed or converted into chapter 13 whenever the filers earn more than the State median income and can repay at least \$6,000 of his or her unsecured debt over a 5-year period of time.

In calculating a debtor's income, living expenses are deducted as permitted under IRS standards for the State and locality where the debtor lives. Legitimate expenses such as food, clothing, medical, transportation, attorney's fees, and charitable contributions are taken into account in this analysis, as provided under Internal Revenue Service guidelines.

Moreover, a debtor may rebut the presumption by demonstrating special circumstances. So the means test takes into account a debtor's income, a debtor's expenses, and allows a debtor to, even beyond that, show special circumstances which would justify adjustments to the means test.

In this way, the bankruptcy reform bill preserves the principle of a fresh start for people who have been overwhelmed by medical debts or sudden, unforeseen emergencies. As stated by the Government Accounting Office, the bill allows for the 100-percent deductibility of medical expenses before examining repayment ability. The bill preserves fair access, then, to bankruptcy for those people who are truly in need.

So that I am crystal clear, people who do not have the ability to repay their debt can still use the bankruptcy system as they would have before. This bill clearly provides that people of limited income can still file under chapter 7 and get that fresh start. There is a specific safe harbor built in for these individuals, so their debts can be wiped away, as is done right now.

I point this out because so often during this debate it is going to be pointed out to you, inaccurately, that somehow poor people are not getting that opportunity for a fresh start. So I want to repeat: There is a safe harbor for poor people. But the free ride is over for people who have higher incomes, and who can repay their debt.

Personal responsibility has been one of the main themes of the bankruptcy reform bill, going back to my first introduction. But even before that, since 1993, the number of Americans who declared bankruptcy has increased, would you believe it, over 100 percent. While no one knows all the reasons underlying the bankruptcy crisis, the data shows that bankruptcies increased dramatically during the same timeframe when unemployment was low and real wages were at an all-time high.

I believe the bankruptcy crisis is, in fact, a moral crisis. People have to stop looking at bankruptcy as a conventional financial planning tool, where honest Americans have to foot the bill for those who do not pay their honest debt. It is clear to me that our lax bankruptcy system must bear some of the blame for the bankruptcy crisis. A system where people are not even asked whether they can pay off their debts obviously contributes to the fraying of the moral fiber of America. Why should people pay their bills when the system allows them to walk away with no questions asked? Why should people honor their obligations when they can take the easy way out through bankruptcy?

I think the system needs to be reformed because it is fundamentally unfair. This bill will promote personal responsibility among borrowers and create a deterrence for those hoping to cheat the system. This bill does more than provide for a flexible means test that gives judges discretion to consider the individual circumstances of each debtor in order to determine whether they truly belong in chapter 7. It also contains tough new consumer protections. But the opponents of this bill do not seem to realize that. So I want them to pay attention as I describe

new procedures to prevent companies from using threats to coerce debtors into paying debts which could be wiped away once they are in bankruptcy.

The bill requires the Justice Department to concentrate law enforcement resources on enforcing consumer protection laws against abusive debt collection practices. It contains significant new disclosures for consumers, mandating that credit card companies provide key information about how much they owe and how long it will take to pay off their credit card debts by only making the minimum payment. That is a very important consumer education for every one of us.

Consumers will also be given a toll-free number to call where they can get information about how long it will take to pay off their own credit card balances if they only pay the minimum payment. This will educate consumers and improve consumers' understanding of what their financial situation is.

Credit card companies that offer credit cards over the Internet will be required for the first time ever to fully comply with the Truth In Lending Act, so claims that this bill is unbalanced are off base.

Moreover, the bill makes changes which will help particularly vulnerable segments of our society. Child support claimants are given a higher priority status when the assets of a bankruptcy estate are distributed to creditors.

Here again, I make crystal clear that the bankruptcy bill makes significant improvements for child support claimants. This bankruptcy bill does not hurt them, as opponents of the bill are trying to claim. In fact, the organization, the very organization that specializes in tracking down deadbeat dads, feels this bill will be a tremendous help in collecting child support.

The people on the front lines say the bankruptcy bill is good for collecting child support. An example: The bill provides that parents and State child support enforcement collection agencies are given notice when a debtor who owes child support or alimony files for bankruptcy. Bankruptcy trustees are required to notify child support creditors of their right to use child support enforcement agencies to collect outstanding amounts due.

In addition, the bill requires creditors to provide the last known address of debtors owing support obligations upon the request of the custodial parent.

The bill goes further—requiring that the identity of minor children be protected in bankruptcy proceedings.

Concerns expressed by opponents to the bill about this being a flawed part of it just don't hold water.

The bill also makes great strides in cracking down on very wealthy individuals who abuse the bankruptcy system. If you listen to our critics, you might get the impression that the homestead exemption is a giant loophole that this bill does not deal with, and that we are busy protecting the rich.

The GAO looked at the question of how frequently the homestead exemption is abused by wealthy people in bankruptcy. The GAO found that less than 1 percent of bankruptcies filed in States where there are unlimited homestead exemptions involve homesteads over \$100,000. That means 99 percent of bankruptcy filings were not abusive.

This is not a loophole at all. In fact, the provision in this bill with respect to homestead is a significant improvement from current law. There is a Federal cap on homestead exemptions in current law.

Under the current bankruptcy law, the debtors living in certain States can shield from their creditors virtually all of the equity in their home. Consequently, some debtors relocate to these States to take advantage of the mansion loophole provisions that are, in most cases, in their constitution. This bill would take a strong stand against this abuse by requiring that a person be a resident in a State for 2 years before he can claim the State's homestead exemption. Current requirements can be as little as 91 days.

The bill further reduces the intent for abuse by requiring a debtor to own the homestead for at least 40 months before he can use State exemption law. Current law doesn't have any such requirement.

Furthermore, the bill would prevent individuals who have violated security laws or individuals who have engaged in criminal conduct from shielding their homestead assets from those whom they have defrauded or injured. Specifically, if a debtor was convicted of a felony, violated a security law, or committed a criminal act intentionally, or engaged in reckless misconduct that caused serious physical injury or debt, the bill overrides State homestead exemption laws and caps the debtor's homestead at \$125,000 as the amount that would be protected.

To the extent that the debtor's homestead exemption was obtained through the fraudulent conversion of nonexempt assets during the 10-year period preceding the filings of the bankruptcy case, this bill requires such exemption to be reduced by the amount attributable to the fraud.

These homestead provisions were delicately compromised between those who believe that the homestead should be capped through Federal law—I am one of those—or others who are uncomfortable with a uniform Federal cap which may violate their own State constitution.

So, please, tomorrow when this debate is conducted on changing this provision that has been so carefully worked out over a period of at least two Congresses, don't believe it when people say we have a gaping loophole. The homestead provisions in the bankruptcy bill will substantially cut down on the abuses that might be referred to.

I would like to talk about another thing this bankruptcy bill does which

is so important for those of us who represent agricultural States. This bill makes chapter 12 of the Bankruptcy Code, which gives essential protections to family farmers, a permanent chapter in the Bankruptcy Code. The bill enhances these protections. It makes more farmers eligible for chapter 12. The bill lets farmers in bankruptcy avoid capital gains tax. This is very important because it will free up resources to be invested in farming operations that otherwise would go down the black hole of the Internal Revenue Service. Farmers need this chapter 12 safety net.

In addition, the bankruptcy bill will for the first time create badly needed protections for patients in bankruptcy hospitals and nursing homes. Let me provide an example of what could happen right now without the patient protections contained in this bill.

At a hearing I held on nursing home bankruptcies, I learned about a situation in California where a bankruptcy trustee just showed up at a nursing home on a Friday evening and evicted the residents of that nursing home. The bankruptcy trustee didn't provide any notice whatsoever that this was going to happen. There was absolutely no chance for the nursing home residents to be relocated. The bankruptcy trustee literally put these elderly people out on the street and changed the locks on the doors so that they couldn't get back into the nursing home. The bankruptcy bill will prevent this from ever happening again. These are protections that we will be giving these deserving senior citizens for the first time.

The truth is that bankruptcies hurt real people. It isn't fair to permit people who can repay to skip out on their debts. Yes, we must preserve fair access to bankruptcy for those who truly need a fresh start. This bill does not in any way compromise that century-old principle of our Bankruptcy Code.

This bankruptcy reform act does that—it guarantees a fresh start. It lets those people who can pay their debts live up to their responsibilities as well.

Let us restore the balance. Let us pass this bill. This bill is a product of much negotiation and compromise over three Congresses. It is fair, it is balanced, but, more importantly, it is a bill that once got to President Clinton and he pocket-vetoed it. This bill that passed by overwhelming majorities of both Houses of Congress is long overdue legislation.

I urge my colleagues to support this legislation but, more importantly, help us defeat amendments that are opening all of the carefully crafted compromises that we worked on over the last 3 to 4 years.

I yield the floor. I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. McCONNELL. Mr. President, I ask unanimous consent that there now be a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

SUPREME COURT'S RULING IN *ROPER V. SIMMONS*

Mr. President, today, the Supreme Court struck down the death penalty for juvenile persons 17 years old or younger. I commend the Court for its wise and courageous decision.

Three years ago, the Supreme Court held that the eighth amendment to the Constitution prohibits the execution of the mentally retarded. In reaching that decision, the Court emphasized the large number of States that had enacted laws prohibiting executions of the retarded after 1989, when the Court had earlier declined to hold them unconstitutional. As the Court observed in reaching its decision 3 years ago to ban them, "It is fair to say that a national consensus has developed" against such executions.

The Court cited several factors showing why executing the mentally retarded is unconstitutional: Mentally retarded persons lack the capacity to fully appreciate the consequences of their actions; they are less able to control their impulses and learn from experience, and are therefore less likely to be deterred by the death penalty; they are more likely to give false confessions, and less able to give meaningful assistance to their lawyers.

Today, the Supreme Court recognized that this logic also applies to the execution of juveniles. The Court cited a number of factors—including the rejection of the juvenile death penalty in the majority of States, the infrequency of its use even where it remains legal, and the consistency of the trend toward abolition of the practice. It concluded that these factors provide "sufficient evidence that today our society views juveniles, in the words used respecting the mentally retarded, as 'categorically less culpable than the average criminal'."

Today's ruling is a welcome victory for justice and human rights. Since the death penalty was reinstated in the United States in 1976, there have been 21 executions of juvenile offenders. In the last 5 years, only the United States, Iran, the Democratic Republic of Congo, and China have executed a juvenile offender. It is long past time that we wipe this stain from our Nation's human rights record.

Other steps need to be taken as well to reform our system of capital punishment.

For too long, our courts have tolerated a shamefully low standard for

legal representation in death penalty cases. Some judges have even refused to order relief in cases where the defense lawyer slept through substantial portions of the trial.

I am hopeful that the legislation proposed by our colleagues PATRICK LEAHY and GORDON SMITH in the Senate, and BILL DELAHUNT and RAY LAHOOD in the House, and signed into law by the President last year, will serve to improve the quality of counsel in capital cases.

I am heartened by the strong statement in President Bush's State of the Union Address last month in support of that program. I am also encouraged by the President's pledge to dramatically expand the use of DNA evidence to prevent wrongful convictions.

As we work together to remedy the most flagrant defects in the application of the death penalty, however, we must never lose sight of its basic injustice. Experience shows that continued imposition of the death penalty will inevitably lead to wrongful executions. Many of us are concerned about the racial disparities in the imposition of capital punishment and the wide disparities in the States in its application. The unequal, unfair, arbitrary and discriminatory use of the death penalty is completely contrary to our Nation's commitment to fairness and equal justice for all, and we need to do all we can to correct these fundamental flaws.

I yield the floor.

RULES OF PROCEDURE—PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Ms. COLLINS. Mr. President, Senate Standing Rule XXVI requires each committee to adopt rules to govern the procedure of the committee and to publish those rules in the RECORD not later than March 1 of the first year of each Congress. On February 28, 2005, a majority of the members of the Committee on Homeland Security and Governmental Affairs' Permanent Subcommittee on Investigations adopted subcommittee rules of procedure.

Consistent with Standing Rule XXVI, today I am submitting for printing in the RECORD a copy of the rules of the Permanent Subcommittee on Investigations.

I ask unanimous consent that the text of the committee rules be printed in the RECORD.

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

RULES OF PROCEDURE FOR THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

1. No public hearing connected with an investigation may be held without the approval of either the Chairman and the Ranking Minority Member or the approval of a majority of the Members of the Subcommittee. In all cases, notification to all Members of the intent to hold hearings must be given at least 7 days in advance to the

date of the hearing. The Ranking Minority Member should be kept fully apprised of preliminary inquiries, investigations, and hearings. Preliminary inquiries may be initiated by the Subcommittee majority staff upon the approval of the Chairman and notice of such approval to the Ranking Minority Member or the minority counsel. Preliminary inquiries may be undertaken by the minority staff upon the approval of the Ranking Minority Member and notice of such approval to the Chairman or Chief Counsel. Investigations may be undertaken upon the approval of the Chairman of the Subcommittee and the Ranking Minority Member with notice of such approval to all members.

No public hearing shall be held if the minority Members unanimously object, unless the full Committee on Homeland Security and Governmental Affairs by a majority vote approves of such public hearing.

Senate Rules will govern all closed sessions convened by the Subcommittee (Rule XXVI, Sec. 5(b), Standing Rules of the Senate).

2. Subpoenas for witnesses, as well as documents and records, may be authorized and issued by the Chairman, or any other Member of the Subcommittee designated by him, with notice to the Ranking Minority Member. A written notice of intent to issue a subpoena shall be provided to the Chairman and Ranking Minority Member of the Committee, or staff officers designated by them, by the Subcommittee Chairman or a staff officer designated by him, immediately upon such authorization, and no subpoena shall issue for at least 48 hours, excluding Saturdays and Sundays, from delivery to the appropriate offices, unless the Chairman and Ranking Minority Member waive the 48 hour waiting period or unless the Subcommittee Chairman certifies in writing to the Chairman and Ranking Minority Member that, in his opinion, it is necessary to issue a subpoena immediately.

3. The Chairman shall have the authority to call meetings of the Subcommittee. This authority may be delegated by the Chairman to any other Member of the Subcommittee when necessary.

4. If at least three Members of the Subcommittee desire the Chairman to call a special meeting, they may file in the office of the Subcommittee, a written request therefor, addressed to the Chairman. Immediately thereafter, the clerk of the Subcommittee shall notify the Chairman of such request. If, within 3 calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within 7 calendar days after the filing of such request, a majority of the Subcommittee Members may file in the office of the Subcommittee their written notice that a special Subcommittee meeting will be held, specifying the date and hour thereof, and the Subcommittee shall meet on that date and hour. Immediately upon the filing of such notice, the Subcommittee clerk shall notify all Subcommittee Members that such special meeting will be held and inform them of its dates and hour. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

5. For public or executive sessions, one Member of the Subcommittee shall constitute a quorum for the administering of oaths and the taking of testimony in any given case or subject matter.

Five (5) Members of the Subcommittee shall constitute a quorum for the transacting of Subcommittee business other than the administering of oaths and the taking of testimony.

6. All witnesses at public or executive hearings who testify to matters of fact shall be sworn.

7. If, during public or executive sessions, a witness, his counsel, or any spectator conducts himself in such a manner as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of such hearing, the Chairman or presiding Member of the Subcommittee present during such hearing may request the Sergeant at Arms of the Senate, his representative or any law enforcement official to eject said person from the hearing room.

8. Counsel retained by any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing, and to advise such witness while he is testifying, of his legal rights. Provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Subcommittee Chairman may rule that representation by counsel from the government, corporation, or association, or by counsel representing other witnesses, creates a conflict of interest, and that the witness may only be represented during interrogation by staff or during testimony before the Subcommittee by personal counsel not from the government, corporation, or association, or by personal counsel not representing other witnesses. This rule shall not be construed to excuse a witness from testifying in the event his counsel is ejected for conducting himself in such a manner so as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of the hearings; nor shall this rule be construed as authorizing counsel to coach the witness or answer for the witness. The failure of any witness to secure counsel shall not excuse such witness from complying with a subpoena or deposition notice.

9. Depositions.

9.1 Notice. Notices for the taking of depositions in an investigation authorized by the Subcommittee shall be authorized and issued by the Chairman. The Chairman of the full Committee and the Ranking Minority Member of the Subcommittee shall be kept fully apprised of the authorization for the taking of depositions. Such notices shall specify a time and place of examination, and the name of the Subcommittee Member or Members or staff officer or officers who will take the deposition. The deposition shall be in private. The Subcommittee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear unless the deposition notice was accompanied by a Subcommittee subpoena.

9.2 Counsel. Witnesses may be accompanied at a deposition by counsel to advise them of their legal rights, subject to the provisions of Rule 8.

9.3 Procedure. Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Subcommittee Members or staff. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the Subcommittee Members or staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the Chairman or such Subcommittee Member as designated by him. If the Chairman or designated Member overrules the objection, he may refer the matter to the Subcommittee or he may order and direct the witness to answer the question, but the Subcommittee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a Member of the Subcommittee.

9.4 Filing. The Subcommittee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review pursuant to the provisions of Rule 12. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the Subcommittee clerk. Subcommittee staff may stipulate with the witness to changes in this procedure; deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

10. Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Chief Counsel or Chairman of the Subcommittee 48 hours in advance of the hearings at which the statement is to be presented unless the Chairman and the Ranking Minority Member waive this requirement. The Subcommittee shall determine whether such statement may be read or placed in the record of the hearing.

11. A witness may request, on grounds of distraction, harassment, personal safety, or physical discomfort, that during the testimony, television, motion picture, and other cameras and lights shall not be directed at him. Such requests shall be ruled on by the Subcommittee Members present at the hearing.

12. An accurate stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. The record of his own testimony whether in public or executive session shall be made available for inspection by witness or his counsel under Subcommittee supervision; a copy of any testimony given in public session or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness at his expense if he so requests.

13. Interrogation of witnesses at Subcommittee hearings shall be conducted on behalf of the Subcommittee by Members and authorized Subcommittee staff personnel only.

14. Any person who is the subject of an investigation in public hearings may submit to the Chairman of the Subcommittee questions in writing for the cross-examination of other witnesses called by the Subcommittee. With the consent of a majority of the Members of the Subcommittee present and voting, these questions, or paraphrased versions of them, shall be put to the witness by the Chairman, by a Member of the Subcommittee or by counsel of the Subcommittee.

15. Any person whose name is mentioned or who is specifically identified, and who believes that testimony or other evidence presented at a public hearing, or comment made by a Subcommittee Member or counsel, tends to defame him or otherwise adversely affect his reputation, may (a) request to appear personally before the Subcommittee to testify in his own behalf, or, in the alternative, (b) file a sworn statement of facts relevant to the testimony or other evidence or comment complained of. Such request and such statement shall be submitted to the Subcommittee for its consideration and action.

If a person requests to appear personally before the Subcommittee pursuant to alternative (a) referred to herein, said request shall be considered untimely if it is not received by the Chairman of the Subcommittee or its counsel in writing on or before thirty

(30) days subsequent to the day on which said person's name was mentioned or otherwise specifically identified during a public hearing held before the Subcommittee, unless the Chairman and the Ranking Minority Member waive this requirement.

If a person requests the filing of his sworn statement pursuant to alternative (b) referred to herein, the Subcommittee may condition the filing of said sworn statement upon said person agreeing to appear personally before the Subcommittee and to testify concerning the matters contained in his sworn statement, as well as any other matters related to the subject of the investigation before the Subcommittee.

16. All testimony taken in executive session shall be kept secret and will not be released for public information without the approval of a majority of the Subcommittee.

17. No Subcommittee report shall be released to the public unless approved by a majority of the Subcommittee and after no less than 10 days' notice and opportunity for comment by the Members of the Subcommittee unless the need for such notice and opportunity to comment has been waived in writing by a majority of the minority Members.

18. The Ranking Minority Member may select for appointment to the Subcommittee staff a Chief Counsel for the minority and such other professional staff members and clerical assistants as he deems advisable. The total compensation allocated to such minority staff members shall be not less than one-third the total amount allocated for all Subcommittee staff salaries during any given year. The minority staff members shall work under the direction and supervision of the Ranking Minority Member. The Chief Counsel for the minority shall be kept fully informed as to preliminary inquiries, investigations, and hearings, and shall have access to all material in the files of the Subcommittee.

19. When it is determined by the Chairman and Ranking Minority Member, or by a majority of the Subcommittee, that there is reasonable cause to believe that a violation of law may have occurred, the Chairman and Ranking Minority Member by letter, or the Subcommittee by resolution, are authorized to report such violation to the proper State, local and/or Federal authorities. Such letter or report may recite the basis for the determination of reasonable cause. This rule is not authority for release of documents or testimony.

CELEBRATION OF THE 44TH ANNIVERSARY OF THE PEACE CORPS

Mr. SARBANES. Mr. President, today it is my privilege to recognize the outstanding accomplishments of the Peace Corps as it celebrates its 44th anniversary this week.

Throughout the years, the Peace Corps has endured as one of the most important forces in our Nation's public diplomacy. At its founding in 1961, President Kennedy remarked, "The initial reactions to the Peace Corps proposal are convincing proof that we have, in this country, an immense reservoir of such men and women—anxious to sacrifice their energies and time and toil to the cause of world peace and human progress." Forty-four years on, the tireless efforts of thousands of Peace Corps volunteers have borne out President Kennedy's vision of service to the global community.

Today, nearly 8,000 Americans serving in 72 nations around the world play a vital role in the advancement of education, health care, HIV/AIDS education, and community and agricultural development. And because of its volunteers' ability and willingness to fully integrate into their host communities, the Peace Corps has become a leader in implementing new strategies for development, such as promoting community-based small businesses and microenterprise projects. Aided by these innovations, our volunteers continue to succeed in their mission of helping those most in need while promoting goodwill between Americans and the people they serve. In this time of global adversity, we cannot underestimate the contributions of the Peace Corps toward the causes of equality, opportunity, and peace.

As the Peace Corps embarks on its next 44 years, it will no doubt remain in the forefront of our efforts to expand prosperity and mutual understanding. I extend my congratulations to the Peace Corps and wish it every success in the future.

Mr. FEINGOLD. Mr. President, I am pleased to commemorate the 44th anniversary of the Peace Corps. For decades now, Peace Corps volunteers have generously and honorably served our country by working to build an understanding between the U.S. and foreign nations, and to create better lives for people around the world. Peace Corps volunteers reflect many of the very best impulses of the American people, and I am pleased to honor these volunteers of all backgrounds and ages. I am especially proud to commend the 252 sworn-in volunteers from Wisconsin. Since the Peace Corps' inception in 1961, the people of the State of Wisconsin have served as an important foundation for this program. The University of Wisconsin-Madison provided a training camp for new volunteers during the 1960s and over 2,600 of its alumni have participated in this program. UW Madison is second in the Nation in the number of current serving volunteers, 142. Wisconsin has an historic legacy in the Peace Corps, and I commend those who have done Wisconsin proud.

In 1960, President Kennedy challenged Americans to serve their country by living and working in developing countries. His vision continues to inspire generations. Today, over 178,000 Americans have answered his call by joining the Peace Corps. When I have the opportunity to travel abroad, I am amazed by the lasting impact that this organization and these eager men and women have had around the world.

Serving in 138 countries, Peace Corps volunteers contribute to developing countries, as varied as Ecuador, Mauritania, Azerbaijan, Bangladesh, and Tonga, through a range of talents and skills, from serving as teachers to agriculture workers to HIV/AIDS educators. I am particularly impressed that over 3,100 volunteers specifically

work to combat global HIV/AIDS. I have traveled to Africa to see up close the devastation this international pandemic has caused, and I continue to be active on this important and urgent issue. I commend all the men and women volunteers who selflessly work to better communities around the world.

On March 1, 2005, as the Peace Corps celebrates its 44th anniversary, its work is particularly relevant to the challenges before our country and our world today. It is so important for Americans to become involved in world affairs, especially through programs such as the Peace Corps. Former Secretary of State Colin Powell and his successor Condoleezza Rice both acknowledge that Americans must make a serious investment in reaching across borders and turning around growing anti-American sentiments abroad. I am constantly impressed by Peace Corps volunteers who devote themselves to personally bridging the gap between people of our country and those beyond our borders, proving by their work our country's commitment to positive changes and mutual understanding. These volunteers amplify the effects of their service when they share their Peace Corps stories and experiences with people back home—with family and friends, in corresponding with classrooms, or in recruiting new volunteers to carry the Peace Corps mission forward.

I congratulate Peace Corps and its volunteers for 44 years of effective and admirable service, and I urge all of my colleagues to continue to work to support this unique and inspiring organization.

TRIBUTE TO THE TUSKEGEE AIRMEN

Mr. SESSIONS. Mr. President, today, with a great sense of honor and respect, I rise to pay tribute to the Tuskegee Airmen, both for their bravery while fighting for our country's freedom in World War II and for their contributions in creating an integrated U.S. Air Force.

Like many of the heroes of World War II, these brave men left their families at home to fight overseas for the principles of freedom and democracy. Unlike most of their colleagues, these great airmen also fought an enemy of racism and prejudice at home. Thankfully, on both fronts, they were victorious. I am proud to stand today to recognize this great accomplishment, honor their service, and thank them for their dedication to racial equality in the U.S. armed services.

For decades, our military denied African Americans the opportunity to serve in leadership positions in the armed services. Although willing to serve a country that did not yet fully recognize their own civil rights, these men were systematically denied the benefit of skilled training in preparation for war. It was thought that they

lacked the qualifications for combat duty or the ability to use sophisticated equipment. In 1941, under pressure from civil rights organizations, the Army Air Force set up a training program in Alabama to experiment with training African Americans as military pilots. The training for this program took place at the Tuskegee Institute in Tuskegee, AL, the famous school founded by Booker T. Washington on July 4, 1881.

There was doubt among many in the military that African Americans were up to the task, but the Tuskegee Airmen proved them all wrong. Fighter pilots, navigators, bombardiers, and maintenance staffs were successfully trained to be members of the 332nd Fighter Group. The airmen were under the able command of COL Benjamin Davis, Jr., and the highly motivated group flew successful missions over Sicily, the Mediterranean, and North Africa.

By the end of the war, 992 men had graduated from the pilot training programs at Tuskegee, and 450 had seen combat overseas. The Tuskegee Airmen were awarded numerous high honors, including Distinguished Flying Crosses, Legions of Merit, Silver Stars, Purple Hearts, the Croix de Guerre, and the Red Star of Yugoslavia. In all their combat, they never lost a bomber to enemy fighters. A Distinguished Unit Citation was awarded to the 332nd Fighter Group for "outstanding performance and extraordinary heroism" in 1945. By the end of the war, the Airmen had overcome segregation and racial prejudice to become one of the most highly respected fighter groups of World War II.

We must never forget the spirit and dedication of these great patriots. Today, as our Air Force is playing such an important role in the global war on terrorism, the ideas and principles that the Tuskegee Airmen represent remain of the utmost importance. With this in mind, I stand today in support of S. Con. Res. 11, a resolution that Mr. SHELBY and I have submitted to express the sense of Congress that the U.S. Air Force should continue to honor and learn from the great example set by the Tuskegee Airmen. I ask my fellow Senators to support this resolution, and I urge the U.S. Air Force to continue to take note of this important part of its storied history.

CENTRAL INTERCOLLEGIATE ATHLETIC ASSOCIATION

Mr. ALLEN. Mr. President, I am pleased today to recognize the success of the Central Intercollegiate Athletic Association as they tip off their 60th Men's Basketball Tournament this week.

The Central Intercollegiate Athletic Association, CIAA, is an athletic conference consisting of 12 historically African-American institutions of higher education, including: Bowie State University, Elizabeth City State Univer-

sity, Fayetteville State University, Johnson C. Smith University, Livingstone College, North Carolina Central University, St. Augustine's College, St. Paul's College, Shaw University, Virginia State University, Virginia Union University and Winston-Salem State University.

Established in 1912, the CIAA is the Nation's oldest black athletic conference, rich in history and heritage. The conference is entering its 85th year of athletic competition in which they have reaped continued success and recognition on the field and the court. The CIAA is a premiere member of the National Collegiate Athletic Association, NCAA, Division II and the reputation of their athletic programs, in conjunction with the academic success of their athletes, is a proud legacy for the conference.

The CIAA basketball tournament began humbly in Washington, DC in 1946 and has grown into one of the largest, most prestigious and long-tenured sporting traditions in America, particularly in the South. Started by a group of visionaries led by legendary coach John McClendon, the tournament has come to showcase dynamic basketball that has produced the likes of past NBA stars Earl Monroe, Bobby Dandridge, Charles Oakley, Rick Mahorn and current NBA star Ronald Murray of the Seattle Supersonics. The weeklong affair draws a host of national celebrities and dignitaries for a variety of activities and events. The tournament festivities serve as a sort of homecoming for students, fans and alumni of the conference. In 2004, the tournament drew over 100,000 fans to Raleigh, NC, making it the third largest basketball tournament in the nation, regardless of division.

As a former collegiate athlete, I understand the difficulties faced by institutions of higher education in planning and supporting athletic tournaments. I congratulate the Central Intercollegiate Athletic Association on its rich and sustained history of superb college athletics. The celebration of this 60th Anniversary Basketball Tournament represents a remarkable achievement for those who have worked tirelessly over the past decades to ensure its longevity. I wish the conference and its annual tournament continued success.

WILLIE MCCARTER

Mr. LEAHY. Mr. President, I want to take a few moments today to acknowledge the work and leadership of Willie McCarter who has served for the past 15 years as chairman of the International Fund for Ireland, IFI.

The IFI was conceived by my old friend Tip O'Neill who secured the original funding in 1986. Willie McCarter became involved with the fund in 1989 and became chairman in 1992. Under his tenure, the fund flourished and became an integral economic tool that helped bring peace and understanding in Northern Ireland.

The investments that the IFI made in border counties provided an economic boost to communities that had no hope. In tumultuous times where communities were divided by religion, the IFI sponsored projects that not only created desperately needed jobs but employment where Catholics and Protestants worked side by side.

Marcelle and I have become close friends with Willie and his wife Mary. I know that our friendship will transcend his departure as chairman from the IFI. We look forward to visits with both of them here and in Ireland for many years to come.

The Irish Times interviewed Willie McCarter prior to his stepping down as chairman of the IFI at the end of February. I ask unanimous consent that the entire article be printed in the RECORD.

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

[From the Irish Times, Feb. 4, 2005]

FUND CHAIRMAN PREPARES TO BID A FOND
FAREWELL

Willie McCarter, who is stepping down as chairman of the International Fund for Ireland, tells Siobhan Creaton, Finance Correspondent, of its many achievements.

After 15 years as a key figure at the International Fund for Ireland (IFI), Derry-born businessman Willie McCarter is preparing for departure.

At the end of February he will relinquish the chairman's role to Denis Rooney. Mr. Rooney is a chartered quantity surveyor and businessman from Northern Ireland whom the British and Irish governments have hailed as a skilled and able leader for the fund.

Mr. McCarter will be sad to say goodbye but says he is proud of the IFI's contribution towards creating a more stable community in Northern Ireland.

The fund, which has committed 768 million to 5,500 projects in the North and border counties, was set up by the Irish and British governments in 1986 as a vehicle to promote economic regeneration and reconciliation in Northern Ireland and the six border counties.

The late U.S. politician T.P. "Tipp" O'Neill championed the idea after a visit to Donegal and Derry.

"John Hume brought him to see his grandmother's home outside Buncrana in 1985 and later they went to Derry. That was during the dark days of unemployment and Tipp said he would try to do something to create jobs," Mr. McCarter says.

In Washington, O'Neill's quest to raise financial aid for the region was supported by President Reagan and resulted in the U.S. Government pledging \$50 million (EUR 38.4 million) for this purpose.

The British and Irish governments, which had concluded the Anglo-Irish Agreement, used the money to start the IFI in 1986.

It was a controversial vehicle and, having grown out of this agreement, was viewed with deep suspicion by Northern Ireland's Protestant community.

Mr. McCarter, a Protestant, recalls the fund's initial difficulties.

"It had very few friends. It got bound up in the political to-ing and fro-ing around the Anglo Irish Agreement."

In 1989, Mr. McCarter, who was chief executive of Fruit of the Loom, the clothing manufacturer that was rapidly expanding in Donegal and Derry, was asked to get involved. The US clothing manufacturer had invested

in Mr. McCarter's women's underwear manufacturing plant in Buncrana in 1985 and had agreed to invest GBP 18.5 million (EUR 26.8 million) and to grow its workforce in Donegal and Derry to 3,500.

"I was up to my tonsils running Fruit of the Loom," he says. "I spoke to John Holland his mentor in the US about getting involved in the fund. He said it would be very good for me and for the company."

Mr. Holland ended the conversation saying: "I am sure you would be able to do that as well as run the company."

In 1992, his involvement with the fund increased when he took over as chairman.

"The fund was a subtle way to bring people from both communities together. Instead of giving them cups of tea and saying 'let's get reconciled', it used job creation to give people an economic focus. In a low-key way, the fund brought people from both communities into projects to provide a human dynamic and develop relationships that would not have existed in a divided society."

Some of its flagship undertakings include the re-opening of the Shannon-Erne waterway, while many town centres have been given a face-lift with its support.

Mr. McCarter believes the fund's ability to be the first to put its cash on the table to back new projects has been a tremendous asset in terms of providing a kick-start for fresh ideas. Its role in the Shannon-Erne waterway, he says, is a good example of what the fund can do.

"When it was first mentioned, it was regarded as a completely mad project. The fund commissioned a GBP 1 million feasibility study that showed it might work. We later put another GBP 5 million into it and attracted other investment. If the fund hadn't put GBP 1 million down initially, the Shannon-Erne waterway wouldn't have happened," he says.

The fund claims to have played a central role in bringing about the joint marketing of Ireland as a tourist destination by the authorities in the North and the Republic. It has also fostered closer linkages between Cork, Trinity and Queen's universities in the field of microelectronics.

"A lot of initiatives have worked but the fund's role has been forgotten," according to Mr. McCarter. "I am glad that the fund is seen as a fair and reputable dealer. I have worked with very gifted people on the board and in the communities who have made a great contribution."

While US presidents have played a crucial role in supporting the peace process and the IFI's work, its contribution to the fund has been reduced from \$25 million to \$18.5 million under the Bush administration due to budgetary pressures.

Mr. McCarter says this figure is "not half bad" and suggests that the Bush administration has been misjudged in terms of its commitment to Ireland.

"President Bush may not have the same personal interest as President Clinton but the administration has a very tangible interest in Ireland, the peace process and the fund. Support in the Senate and the House of Representatives remains extremely strong. These people are made of stern stuff. They will see things through until there is a stable society," he says.

While the peace process is currently at an impasse, Mr. McCarter believes there is little danger that the enormous strides made, in terms of improving relationships and raising prosperity, will be reversed.

"I don't think it will unravel. Too many people can see the benefits. I have lived in a border area all of my life and can see a tangible change."

Mr. McCarter was ousted from Fruit of the Loom in 1997 following differences with its

then owner, US corporate raider Bill Farley. The exit of the McCarter family from the business was a blow for the workforce and signalled the end of an era in terms of job security. The workforce has dropped to around 500, with the entire operations to be moved to Morocco over the next three to four years.

"When it goes to Morocco, it will be after 20 years in the north-west. It did a lot of good. Fruit of the Loom led to a lot of people making lives for themselves and was influential in improving the local infrastructure. I will be sorry to see it go. I am very fond of Donegal and Derry, which now need a substantial investment."

In the future, Mr. McCarter says his main interest will be in Cooley Distillery, the independent whiskey maker founded by his long-time friend, John Teeling. Mr. McCarter is a director and is also on the board of Norish. He is keen to get involved in other businesses.

"I already do quite a lot of work at Cooley and am looking for more non-executive roles," he says. "I would also like to find some way of retaining the many US connections I have made over the years."

HONORING PATRICIA R. FORBES

Mr. KERRY. Mr. President, I come to the floor today to honor the work, dedication and career of Patricia R. Forbes, a champion for this Nation's small businesses. In just a few days, Patty will be retiring and my office will be losing a truly superb staff member. I cannot think of many people who have contributed as selflessly and as competently in a wonderfully bipartisan fashion as she has.

Prior to joining my staff, Patty served 11 years at the Small Business Administration and spent 4 years directing the staff of then-chair of the Senate Small Business Committee, Senator Dale Bumpers from Arkansas. During Senator Bumpers' chairmanship, Patty served as his majority counsel and later as his deputy staff director and counsel. In her tenure as my staff director and chief counsel on the Senate Committee on Small Business and Entrepreneurship, she has proven to be an invaluable asset to me and the committee.

Patty joined my staff shortly after I became the chair of the Small Business Committee in 1997. Whether it has been developing and implementing an effective small business legislative agenda, preparing legislation, ensuring that adequate appropriations are directed to small business initiatives, preparing hearings, correspondence or speeches, Patty has been an exemplary leader to the staff of the Small Business Committee. Her ability to craft and negotiate meaningful and responsible legislation affecting SBA's programs and the Nation's small businesses has been a driving force behind the bipartisanship and effectiveness of this committee. Senators on both sides of the aisle have grown to respect her expertise, her commitment to small businesses, and her unfailing devotion to her work.

During her career, Patty Forbes has made a significant impact on the lives of millions of entrepreneurs. For 13

years, Patty worked in the Senate fighting to provide small businesses greater access to capital, Government contracts, business counseling and training opportunities, tax relief and a plethora of other items that help this Nation's economy grow and help individuals reach for the American dream. I, along with the entire small business community, have been truly lucky to have had her service over the years.

Patty Forbes is leaving behind a legacy of commitment and capability that has helped many entrepreneurs turn their vision into reality. She can take pride in the work she has done for me, the U.S. Senate, and this Nation. Patty Forbes will truly be missed.

NATIONAL SPORTSMANSHIP DAY

Mr. CHAFEE. Mr. President, today marks the 15th anniversary of National Sportsmanship Day, which is celebrated on the first Tuesday of each March. National Sportsmanship Day was the creation of the Institute of International Sport at the University of Rhode Island, and it is now the largest initiative of its kind in the world.

On March 6, 1990, the Institute celebrated the first National Sportsmanship Day in approximately 3,000 schools. By promoting sportsmanship through this ceremonial day over the ensuing 15 years, the institute has made a positive impact on the lives of hundreds of thousands of young student-athletes. The institute has received thousands of letters and e-mails commending its leadership in this area. National Sportsmanship Day also has spawned many local sportsmanship initiatives, led to the creation of an annual essay contest on sportsmanship in USA Today, and inspired the celebration of sportsmanship days in foreign countries such as Australia and Bermuda.

This year, through the institute's Team Sportsmanship initiative, groups of college athletes will visit their local elementary, middle, and high schools to further a dialogue among youth about sportsmanship and fair play. As evidenced by media reports on drug scandals and on-field fights, the promotion of sportsmanship among youngsters remains a useful and beneficial endeavor.

I applaud this year's participants in National Sportsmanship Day, and congratulate the institute for its ongoing work to instill the best of values in America's youth.

Mr. REED. Mr. President, today, March 1, is National Sportsmanship Day. A project of the Institute for International Sport at the University of Rhode Island, National Sportsmanship Day is the largest initiative of its kind in the world. Now in its 15th year of promoting the highest ideals of sportsmanship and fair play among America's youth, the day will be observed in over 13,000 schools in all 50 States. The day will involve more than 5 million students, teachers, adminis-

trators, coaches, and parents in discussions on the issue of sportsmanship.

National Sportsmanship Day was first championed by Rhode Island Senators Claiborne Pell and the late John Chafee. This year, National Sportsmanship Day will honor these Senators; USA Today, which conducts an annual National Sportsmanship Day essay contest, and its sports editor Monte Lorell; the President's Council on Physical Fitness; the Old Dominican Athletic Conference, which has reinforced the values of sportsmanship among its teams; and Playing for Peace, an international organization which uses basketball and sportsmanship to bring young people together from communities such as Belfast, Northern Ireland and Johannesburg, South Africa.

I am proud Rhode Island is home to the Institute for International Sport and National Sportsmanship Day, and pleased to see the positive influence it has had on youngsters across the Nation during its 15 years of promoting the best in athletics.

VERMONT ADJUTANT GENERAL MARTHA RAINVILLE

Mr. LEAHY. Since early November, over 1,000 citizen-soldiers from the Vermont National Guard have answered the time-honored call to duty. These proud, strong, and intelligent men and women of the 86th Brigade were activated for service in the Middle East. In some of the most moving series of events I have experienced as Senator, these Vermonters separated from loved ones at various sendoff ceremonies all across the State. They formed into ranks and marched off for training and, eventually, for war. In mobilizing for service, they joined almost 200 members of Vermont's Green Mountain Boys who just returned from their yearlong deployment to Iraq. Watching over this moving sendoff and standing as a strong, intelligent, and assuring presence was the Adjutant General of the State of Vermont, MG Martha Rainville.

Superbly carrying out her responsibilities as Vermont's senior military leader, General Rainville has ensured that these units, as well as any deploying Vermont Guard company, squadron, or detachment, have had the best preparation possible. She always tries to make certain that the Vermont National Guard has the resources to carry out any mission, whether at home or abroad. At the same time, General Rainville has a special empathy for her soldiers and airmen, working to comfort them during the inevitable pains of family separation.

I am very proud that General Rainville has recently been reelected by the Vermont Legislature to the position of Vermont Adjutant General and that, late last year, she was recognized as Vermonter of the Year by the Burlington Free Press, one of Vermont's largest circulation news-

papers. General Rainville is a consummate professional, skilled leader, and caring human being. She has had a noticeable effect on the readiness of the 4,000 members of the Vermont National Guard and has become a critical part of the leadership of the entire National Guard, one of our Nation's most cherished institutions. These recognitions are representative of all the Guard members, families, and employers from Vermont who are making huge sacrifices for the war efforts.

Martha Rainville assumed the position of Adjutant General of the State of Vermont in 1997. She gained valuable experience and understanding of the military from her service as a commander of the maintenance unit of the 158th Fighter Wing of the Vermont Air National Guard. When she stood up and said she was ready to take the reigns of the entire Guard, she promised to bring a fresh approach to tackling the Guard's tasks and challenges.

From the first day, General Rainville has brought a careful yet energetic approach to her position. She pays close attention to the day-to-day operations of the Vermont Guard, yet gives her commanders the flexibility to do the job right. This ability to balance small details with a sense of the larger picture has enabled the Vermont National Guard to respond so well to its real-world missions after September 11. From 24-hour air patrols to increasing security along the northern border to deploying for the war in Iraq, the Vermont Guard has responded well due in part to General Rainville's leadership.

Vermont Adjutant General Martha Rainville is a credit to the National Guard, the State of Vermont, and the country as a whole. I am so proud to have seen her move through the ranks in Vermont and assume her critically important role. I know she will continue to provide strong leadership to our proud citizen-soldiers, and I believe she deserves our gratitude, our congratulations, and our thanks.

IN HONOR OF JUDGE JANE MCKEAG

Mrs. BOXER. Mr. President, it is my honor to speak in recognition of Judge Jane McKeag. Judge McKeag has served the last 11 years as a United States Bankruptcy Judge for the Eastern District of California, Sacramento Division.

In addition to her service as a judge, Jane McKeag utilized her expertise to educate the community and improve the bankruptcy system in Sacramento County, the State of California, and the Nation. Her many accomplishments are testament to her strong leadership and devotion to public service. Throughout her career she served the law community as a member of the Ninth Circuit Conference Executive Committee, the Eastern District Uniform Bankruptcy Rules Committee and the Finance Committee of the National

Conference of Bankruptcy Judges, as Chair of the Ninth Circuit Bankruptcy Education Committee and the Debtor/Creditor and Bankruptcy Committee of the Business Law Section of the State Bar of California and as President and Vice President of the Bankruptcy and Commercial Law Section of the Sacramento County Bar Association.

Judge McKeag has not only contributed to the betterment of bankruptcy law as a judge, but also as a teacher. She was an Adjunct Professor at McGeorge School of Law and a frequent lecturer for the California Continuing Education of the Bar, the University of California, Davis Law School and the Sacramento County Bar Association. In addition, Judge McKeag spent 2 years as a Peace Corps volunteer in West Africa.

I commend Judge McKeag for dedicating her life to her country and her community. Her accomplishments have touched the lives of many, and her impact on her community and the Nation will be long remembered. I extend my sincere best wishes for her continued health and happiness. Jane McKeag is a distinguished member of the community, and it is with great pleasure that I recognize her today.

ADDITIONAL STATEMENTS

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

• Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On February 25, 2005, a 21-year-old University of North Carolina student was attacked by as many as six individuals. The perpetrators yelled anti-gay comments at the victim before returning and assaulting the individual by punching and kicking him. The case has been classified as a hate crime by the Chapel Hill Police and is currently under investigation.

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

THE DEATH OF PROFESSOR D. ALLAN BROMLEY

• Mr. LIEBERMAN. Mr. President, I rise to bring my colleagues' attention to the death of Professor D. Allan Bromley, a renowned nuclear physicist,

a great Connecticut citizen and a friend, on February 10 at age 78.

Dr. Bromley had an extraordinary life beginning in Westmeath, Ontario, Canada where he was born. He received a B.S. degree with highest honors in 1948 in the Faculty of Engineering at Queen's University in Ontario where he continued his studies receiving a M.S. degree in nuclear physics. In 1952, he earned a Ph.D. degree from the University of Rochester and subsequently has been awarded 32 honorary doctorates from universities around the world. In 1960, he moved to Connecticut where he joined the Yale faculty as an associate professor of physics. He founded and directed the A.W. Wright Nuclear Structure Laboratory at Yale from 1963 to 1989 where he carried out pioneering studies on both the structure and dynamics of atomic nuclei, and he was considered the father of modern heavy ion science. From 1972 to 1993, he held the Henry Ford II Professorship in Physics at Yale and chaired the physics department from 1970 to 1977. He received numerous honors and awards, and I would specifically like to recognize that in 1980 he received the National Medal of Science, the highest scientific honor awarded by the U.S. Not only was he an outstanding physicist, clearly shown by the 500 published papers and the 20 books he authored or edited, but he was an outstanding teacher, and his program at Yale graduated more doctoral students in experimental nuclear physics than any other institution in the world. This is truly an admirable accomplishment especially given the overall drop in U.S. students pursuing degrees in the physical sciences.

As the president of the American Physical Society and as president of the American Association for the Advancement of Science, he was a significant, influential leader in the science policy community. He served as a member of the White House Science Council during the Reagan administration and as a member of the National Science Board in 1988 to 1989, and he was the first person to hold Cabinet-level rank as Assistant to the President for Science and Technology, serving the first President Bush. In this role from 1989 to 1993, he oversaw a five fold increase in staff and budget of the White House Office of Science and Technology Policy. At OSTP, he established an Industrial Technology Directorate, was the first to name four assistant director Presidential appointees, an increase from the one or two appointees made by his predecessors, and also within OSTP, was the first to elevate the social sciences for full recognition. His strong passion for science was clearly evident as he reinvigorated both the Federal Coordinating Committees on Science, Engineering and Technology, now named the National Science and Technology Council NSTC, and the President's Council of Advisory for Science and Technology PCAST. He established the

"crosscut" process that helped our science agencies to more effectively interact and develop coherent policy. He was responsible for the first formal published statement of U.S. technology policy and specifically played a key role in expanding the cooperation and partnership between government and private industry in science and research and development. His efforts extended beyond the borders of the U.S. as he established an annual Carnegie informal meeting of science advisors from the G7 and G8 countries where international science cooperation was promoted and established. Clearly, he made OSTP a powerful voice for strong U.S. science during his tenure.

Dr. Bromley served the President during a period of intense debate over U.S. competitiveness, as we confronted tough competitors in Japan and Europe. He helped in the formulation of what became a bipartisan competitiveness agenda, building on and implementing many of the recommendations of the Young Commission that served President Reagan, and the subsequent trade and competitiveness legislation that grew out of those proposals. He stood for an activist role for government-supported science and research and development, working in cooperation with the private sector and our universities to build up our innovation system. While at OSTP, he established a strong collaboration with OMB to strengthen American research and development investment, and science education. He well understood that our Nation's growth and well being were directly tied to our technological progress, and worked hard from the White House to expand that understanding. Dr. Bromley was one of our most effective Presidential science advisors.

Returning to Yale, he worked with President Richard C. Levin on the revival of strong science, especially physical science, at Yale. He helped the university to fashion a billion-dollar reinvestment in science, driven by his understanding that growing innovation capacity at Yale will be crucial to the University's and Connecticut's future, as well as important to the Nation. I am so glad that he was able to see the fruit of President Levin's and his labor start to unfold at Yale in the form of new science programs, science buildings, and science talent.

During these years after he returned to Yale, he remained very active on national science policy. I had the privilege to work with him, and with our current majority leader, Senator FRIST, and former Senator Phil Gramm, on legislation to double on a step-by-step basis our Federal science investment. While we were never able to persuade the House to pass our Senate bill, support for science increased significantly.

Additionally, Dr. Bromley was a member of the U.S. National Academy of Sciences, the American Academy of

Arts and Sciences, the Brazilian Academy of Sciences, the Royal South African Academy of Sciences, and the International Higher Education Academy of Sciences in Moscow. He was a member of the Governing Board of the American Institute of Physics and a Benjamin Franklin Fellow of the Royal Society of Arts in London.

Dr. Bromley was not a shy and retiring figure, he was a forceful, "it must be done" gentleman, generally attired in fine suits and elegant bow ties. He also always had an eye on the big picture. I like to think of him in his large corner office in the Old Executive Office Building while at OSTP, gazing at his stunning view of the White House and Blair House. That a scientist wrestled this office out of the hands of the Federal bureaucracy speaks about his insistence on the big picture. And he definitely had a big picture view of U.S. science. He was a team member and team leader in a great generation of U.S. science that successfully faced a new kind of economic competition over innovation, that brought an information technology revolution to the forefront of our society, that pushed for quality in advanced U.S. manufacturing processes, that began to work on the application of technology to environmental problems, and that made astounding advances in fundamental science. He was a direct participant in some of these tasks, a supporter in others, but always an insistent, indefatigable advocate for science advance.

In the words of President Levin of Yale, "in three successive careers, he built our physics department, served the nation with distinction, and thoroughly revitalized engineering at Yale." Dr. Bromley may have physically left our world, but his accomplishments and influences are here with us. I will always remember my friend. My thoughts and prayers are with his family.●

HONORING BENJAMIN W. TIMBERMAN

● Mr. LAUTENBERG. Mr. President, I rise today to honor Benjamin W. Timberman, a community leader, educator and humanitarian from New Jersey.

Mr. Timberman's career began as a mathematics teacher at Monroe Township Junior High School in Williamstown, NJ. He served in that capacity for 2 years when he was drafted for a 2-year tour of duty in the U.S. Army. Upon his return, he continued his teaching until 1961 when he became vice principal. In 1963, Mr. Timberman was appointed as elementary supervisor for the Monroe Township School District, where he served for 12 years. In 1975, Mr. Timberman reached the penultimate position when he was appointed superintendent of schools, where he served another dozen years. During his 33 years of service to the children of Monroe Township, Mr. Timberman was also the first president

of the Monroe Township Education Association.

Mr. Timberman also demonstrated his commitment to his community through his service as an elected official. Like his education career, Mr. Timberman's government career began in 1954 when he was elected to the Elmer Borough Council. He served in that capacity for 7 years before being elected mayor of Elmer in 1963. In 1971, Mr. Timberman was elected to the Salem County Board of Chosen Freeholders where he served for 24 years. With his education background, Mr. Timberman used his position on the Freeholder Board to provide educational opportunities to Salem County residents. Mr. Timberman championed the passage of the bond issue for construction of the Vo-Tech Career Center and advocated for the establishment of the Salem Community College as a degree granting institution.

Despite his retirement from education and government, Mr. Timberman and his wife Mary Lou continue to work in the community as volunteers for Meals-on-Wheels and on visits to a local nursing home to lead residents in a monthly sing-a-long.

It is my honor to recognize Benjamin W. Timberman for his hard work and commitment to make his community a better place. I urge my colleagues to join me in paying tribute to this wonderful human being.●

MATTIEBELLE WOODS

● Mr. KOHL. Mr. President, I rise today to honor the life of a great and proud Milwaukeean, a courageous social pioneer and journalist and—above all else—a wonderful person. On February 17, Mattiebelle Wood's long life ended at the age of 102. Ms. Woods left a remarkable legacy in her field, in her community and in the Nation.

Mattiebelle Woods was a tremendous woman, and I am proud to honor her life today. She was born in Louisville, KY, in 1902, and moved to Milwaukee when she was just a few years old. In the 1940s, before the days of Martin Luther King and Malcolm X, Ms. Woods was already actively involved in the civil rights movement.

Ms. Woods has rightly been called the First Lady of the Milwaukee press, and as a reporter, her coverage of social events and developments contributed to an increased sense of identity and unity in the local black community. By the 1960s, she had written for the Chicago Defender, the Milwaukee Defender, the Milwaukee Star, and the Milwaukee Globe. In 1964, she joined the Milwaukee Courier and contributed to its very first edition.

Ms. Woods never stopped writing—her final column was published 1 week before her death.

Ms. Woods also energetically participated in politics fighting for the advancement of the African-American community. She became active in the Democratic Party in the late 1940s, and

worked persistently to ensure that elected officials worked just as hard as she did for the African-American community.

To those who knew her, she will ultimately be remembered for her lively, beautiful personality. She instilled confidence and pride in countless young people and helped them build the connections that would help them succeed later in life. At the age of 102, Mattiebelle Woods still could be found on the dance floor, loving life.

That love of life, along with her commitment to social justice, has undoubtedly been passed on to all those who knew her.●

DR. HIRAM C. POLK, JR., TRIBUTE

● Mr. MCCONNELL. Mr. President, I rise today to honor a Kentuckian who has dedicated his life to saving the lives of others. Dr. Hiram C. Polk, Jr., the chairman of the University of Louisville's Department of Surgery in Louisville, KY, has become a leader in the medical field due to his relentless push for excellence.

In his 34 years as chairman of the department, Dr. Polk has trained over 200 surgeons who have gone on to become the best in their profession. He is the world's leading authority on surgical wound infections. He developed the now common application of perioperative antibiotics—that is when the patient takes antibiotics before surgery, so the medication is in the patient's tissue during operation.

Under Dr. Polk, the department has provided over \$100 million in free health care to Louisville area indigent patients. The department has performed two successful hand transplants and the world's first implantation of an AbioCor artificial heart. And Dr. Polk is an honorary fellow of the very prestigious Royal College of Surgeons in Edinburgh, Scotland, the oldest surgical college in the world.

Dr. Polk has also found time to engage in one of Kentucky's greatest passions—horse racing. He is an owner and breeder of several thoroughbreds, including Mrs. Revere, a four-time stakes winner at the racetrack that is home to the Kentucky Derby, Churchill Downs.

No wonder, then, that upon Dr. Polk's retirement after such a pre-eminent career, his colleagues have decided to honor him by naming the University of Louisville surgery department the Hiram C. Polk Department of Surgery. He is a model citizen for all Kentuckians, and has earned this Senate's respect.

Mr. President, I ask unanimous consent to print in the RECORD an article from The Louisville Courier-Journal about Dr. Polk's lifesaving career.

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

[From the Louisville Courier-Journal, Feb. 4, 2005]

A PASSION FOR EXCELLENCE; U OF L DOCTOR LEAVES ENDURING MARK TRAINING SURGEONS
(By Laura Ungar)

Part drill sergeant, part modern-day Soc-rates, Dr. Hiram C. Polk Jr. briskly led medical residents and students through University Hospital on early morning rounds this week.

Stopping in front of patients' rooms, Polk called on residents to describe each case, then peppered them with questions.

Sometimes he offered a compliment, such as "Wonderful question" or "That's exactly right." But more often, he displayed a characteristic toughness, and his trainees usually answered, "Yes, sir."

"You're lost," he admonished the group outside one patient's room.

"You're not betting your life," he said to a resident assessing a patient. "You're betting his life."

Polk is stepping down today after more than three decades as chairman of the University of Louisville's surgery department, where he has trained a legion of surgeons—about 230, which U of L officials say is more than any other current surgical chair in the country.

Colleagues say a relentless push for excellence marked Polk's tenure. That has given U of L's program a national reputation as the Marine Corps of surgical residencies and left him with a nickname based on one instance from his early career: "Hiram Fire-em."

But it also has made him a teacher students always remember, a strict father figure who strives to make them better and leaves them with an internal voice telling them to push themselves.

"Dr. Polk demands excellence from his trainees and will not accept mediocrity. And by demanding it, he often gets it," said Dr. Kelly McMasters, a former resident under Polk who is now the Sam and Lolita Weakley Professor of Surgical Oncology and director of U of L's division of surgical oncology.

Polk could go a little too far, "could be too tough," said Dr. Frank Miller, a professor of surgery at U of L.

But Polk makes no apologies. Surgery "is a serious, big deal and you need to take that seriously," he said. "Striving to be the best you can be sometimes means telling people, 'I think that's stupid.'"

Colleagues say Polk, 68, held himself to those same high standards as he has helped build a nationally renowned surgery department.

He has written or co-written hundreds of papers and journal articles, dozens of textbook chapters and numerous books, and served as editor-in-chief of the American Journal of Surgery for 18 years.

He pioneered the practice of giving antibiotics within an hour of surgery to stave off infection, which has become commonplace.

And McMasters said residents who have risen to Polk's challenge earn his loyalty, and return it. "Most people are pathologically loyal to Dr. Polk. He stands by his people 100 percent. . . . He's made my career. While he was firm and strict as a teacher, he also has a very benevolent and loving side."

LIFE-CHANGING DISCUSSION

Polk attended Millsaps College in his hometown of Jackson, Miss., at the urging of his father. He graduated at the top of his class, and as a favor to a professor, he said, he applied to Harvard Medical School, only to turn down a chance to attend on scholarship because it was too far away. But Harvard sent a premier physiologist to try to

persuade Polk to change his mind—an hourlong discussion that determined the direction of his life.

"He reinforced some of what my father said," Polk said. "He said I ought to go, end of discussion."

Polk hated medical school until he got interested in surgery. As a medical resident in St. Louis and a young doctor and academic in Miami, Polk found mentors to emulate. His reputation grew, and universities began to court him.

In 1971, at 35, he became U of L's surgery chairman, lured by the promise of a department with potential, a growing downtown medical community and a closet attraction to the horse-racing scene.

One early decision was to not renew the contracts of six of the residents who were there at the time, earning him the "Fire-em" nickname—although he said he has let only five more people go since then.

Colleagues who knew him during those early years remember how Polk honed his skills in the aging Louisville General Hospital, a relic of an older era with long hallways, an open ward and few of the technological amenities of today. Polk brought residents on bedside rounds there, firing questions at them and demanding good answers, recalled Dr. Gordon Tobin, a U of L professor and director of the division of plastic and reconstructive surgery.

"He fit right in with the other surgeons I met in that era," Tobin said. "The surgical personality is very straightforward and blunt."

Polk's reputation for demanding excellence was a draw for some, said Dr. J. David Richardson, a professor and vice chairman of U of L's surgery department.

"I don't think people have really come here who are really unaware" how demanding it would be, Richardson said. "It's not a place to come and rest on your laurels and enjoy a quiet kind of life."

Dr. William H. Mitchell, a retired surgeon in Richmond, Ky., was among Polk's early residents. He said Polk expected him and his peers to be on their game at 7 a.m. "whether we were bright-eyed and bushy-tailed or not."

"If you ran out of gas, you'd better get pumped up. You were expected to be cogent, coherent and well thought out," Mitchell said.

But Polk was mindful of tailoring questions to a trainee's level of understanding, Mitchell said, and would be hardest on senior residents. Also, many doctors-in-training saw something beneath the harshness—intelligence, skill and passion for his work.

Mitchell remembers a case presented in a conference in which another resident stabilized the fractured jaw of a motorcycle accident victim without calling for backup, even though he had never seen such a fracture.

"He fried him," Mitchell said of Polk's response. "He said: Don't undertake something you've never done without backup."

"No question about it," Mitchell said, "he made all of us better doctors because he made us think about what we're doing."

FAMILY—AND HORSES

Nurturing residents and building a department required long hours.

"He was busy and gone a lot," said his daughter, Susan Brown, one of two children with his first wife. "My mom kept everything running for us."

That didn't change her love and admiration for him, said Brown, 44. And she said he has taken an active interest in the lives of her three sons, attending sporting events with them and talking medicine with two who have expressed an interest.

Dr. Susan Galandiuk, Polk's 47-year-old second wife, said she understands the long hours and is a workaholic herself. She said Polk routinely gets telephone calls at their East End home from doctors around the country asking for professional and personal advice—and sees this as a compliment, evidence of the relationships he has built over the years.

Some of Polk's rare hours outside of work have been focused on his love of horses. He and Richardson together are owner-breeders whose horses have included Mrs. Revere, a four-time stakes winner at Churchill Downs in the mid-1980s for which a stakes race is named.

Richardson sees things in common between surgery and the horse business, such as the reminders, every time a horse gets hurt, of the fragility of life and success. Polk sees common points, too, but noted: "A good horse is better than a good resident. You love them, and they try hard to be the best they can be."

Polk claims to have mellowed over the years, and links it to his divorce, his remarriage, and the death of Mrs. Revere, whose memory still chokes him up.

He said he also gained new perspective through four major operations, including one for prostate cancer. And he has had to adjust to changing times in medicine; he has been sued for medical malpractice, usually in an administrative capacity, and has had to work within new national rules limiting residents' working hours to 80 a week.

But current trainees and friends haven't noticed a mellowing. Cornelia Poston, a third-year medical student, prepares diligently for rounds by writing questions on note cards, studying the night before and carrying a book called "Pocket Surgery" inside her white coat.

You strive for perfection, and he demands that," said Dr. Bryce Schuster, chief administrative resident. "At times it could be intimidating. But fear is a great motivator."

Mitchell agreed. "The residents still get sweaty palms," he said, "but they still stand and deliver and give a straight answer to a straight question."

To celebrate Polk's career, colleagues, residents and others have launched a \$5 million campaign to rename the department in his honor and secure an endowment for clinical, education and research activities.

But his true legacy, colleagues say, may be best symbolized by a picture of a tree in his office, with names of the surgeons he has trained near the many branches.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:59 p.m., a message from the House of Representatives, delivered by

Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 79. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to award a Congressional gold medal to Jackie Robinson (posthumously), in recognition of his many contributions to the Nation.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC-1124. A communication from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Closure of pollock in statistical area 630 in the Gulf of Alaska" received on February 28, 2005; to the Committee on Commerce, Science, and Transportation.

EC-1125. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Safety Zone (Including 3 Regulations): [CGD05-05-008], COTP Western Alaska 05-002], [COTP Western Alaska 05-001]" (RIN1625-AA00) received on February 28, 2005; to the Committee on Commerce, Science, and Transportation.

EC-1126. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Regulated Navigation Area; [CGD07-04-153], Brunswick, Georgia, Turtle River, in the Vicinity of the Sidney Lanier Bridge" (RIN1625-AA11) received on February 28, 2005; to the Committee on Commerce, Science, and Transportation.

EC-1127. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Operation Regulations (Including 3 Regulations): [CGD05-04-179], [CGD08-04-036], [CGD08-04-042]" (RIN1625-AA09) received on February 28, 2005; to the Committee on Commerce, Science, and Transportation.

EC-1128. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Operation Regulations (Including 5 Regulations): [CGD11-05-009], [CGD01-05-006], [CGD01-05-013], [CGD01-05-007], [CGD01-05-008]" (RIN1625-AA09) received on February 28, 2005; to the Committee on Commerce, Science, and Transportation.

EC-1129. A communication from the Principal Deputy Assistant Secretary of the Army, Department of the Army, Department of Defense, transmitting, pursuant to law, a report relative to the Water Resources Act of 2000 received on February 8, 2005; to the Committee on Environment and Public Works.

EC-1130. A communication from the Assistant Secretary for Fish, Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Buena Vista Lake

Shrew" (RIN1018-AT66) received on February 28, 2005; to the Committee on Environment and Public Works.

EC-1131. A communication from the Chief Financial Officer, Paralyzed Veterans of America, transmitting, pursuant to law, a report of an audit for fiscal year 2004 received on February 28, 2005; to the Committee on the Judiciary.

EC-1132. A communication from the Federal Liaison Officer, Patent and Trademark Office, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Revision of Search and Examination Fees for Patent Cooperation Treaty Applications Entering the National Stage in the United States" (RIN0651-AB84) received on February 28, 2005; to the Committee on the Judiciary.

EC-1133. A communication from the Deputy Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled "Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits" received on February 17, 2005; to the Committee on Health, Education, Labor, and Pensions.

EC-1134. A communication from the President, James Madison Memorial Fellowship Foundation, transmitting, pursuant to law, the Foundation's Annual Report for the year ending September 30, 2004 received on February 28, 2005; to the Committee on Health, Education, Labor, and Pensions.

EC-1135. A communication from the Director, Agency for Healthcare Research and Quality, Department of Health and Human Services, transmitting, pursuant to law, reports entitled "The National Healthcare Quality Report 2004" and "The National Healthcare Disparities Report 2004" received on February 28, 2005; to the Committee on Health, Education, Labor, and Pensions.

EC-1136. A communication from the Acting Chief, Publications and Regulations, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Applicable Federal Rates—March 2005" (Rev. Rul. 2005-13) received February 28, 2005; to the Committee on Finance.

EC-1137. A communication from the Acting Chief, Publications and Regulations, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Guidance Related to Section 936 Termination" (Notice 2005-21) received February 28, 2005; to the Committee on Finance.

EC-1138. A communication from the Acting Chief, Publications and Regulations, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Revenue Procedure Modifying and Superseding Rev. Proc. 2000-20" (Rev. Proc. 2005-16) received February 28, 2005; to the Committee on Finance.

EC-1139. A communication from the Chairman, U.S. Merit Systems Protection Board, transmitting, pursuant to law, the report entitled "Performance Budget Justification for Fiscal Year 2006" received on February 28, 2005; to the Committee on Homeland Security and Governmental Affairs.

EC-1140. A communication from the General Counsel, Government Accountability Office, transmitting, pursuant to law, a report relative to the Competition in Contracting Act of 1984 received on February 28, 2005; to the Committee on Homeland Security and Governmental Affairs.

EC-1141. A communication from the Independent Counsel, Office of Independent Council, transmitting, pursuant to law, the Office's 2004 Annual Report; to the Committee on Homeland Security and Governmental Affairs.

EC-1142. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report on assistance provided by the Department of Defense to civilian sporting events during calendar year 2004 received on February 28, 2005; to the Committee on Armed Services.

EC-1143. A communication from the Acting Under Secretary of Defense, transmitting, pursuant to law, four reports relative to the National Defense Authorization Act for Fiscal Year 2005 received on February 28, 2005; to the Committee on Armed Services.

EC-1144. A communication from the Principal Deputy for Personnel and Readiness, Office of the Under Secretary of Defense, Department of Defense, transmitting, pursuant to law, a report of the authorization to wear the insignia of the grade of vice admiral; to the Committee on Armed Services.

EC-1145. A communication from the Principal Deputy for Personnel and Readiness, Office of the Under Secretary of Defense, Department of Defense, transmitting, pursuant to law, a report of the authorization to wear the insignia of the grade of lieutenant general; to the Committee on Armed Services.

EC-1146. A communication from the Principal Deputy for Personnel and Readiness, Office of the Under Secretary of Defense, Department of Defense, transmitting, pursuant to law, a report of the authorization to wear the insignia of the grade of admiral; to the Committee on Armed Services.

EC-1147. A communication from the Office of Personnel and Readiness, Office of the Under Secretary of Defense, Department of Defense, transmitting, pursuant to law, the report of a retirement; to the Committee on Armed Services.

EC-1148. A communication from the Principal Deputy Under Secretary of Defense, transmitting, pursuant to law, a report entitled "Cooperative Threat Reduction Annual Report to Congress Fiscal Year 2006" received February 28, 2005; to the Committee on Armed Services.

EC-1149. A communication from the Principal Deputy Undersecretary of Defense, transmitting, pursuant to law, a report relative to The Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 received on February 28, 2005; to the Committee on Armed Services.

EC-1150. A communication from the Acting Under Secretary of Defense, transmitting, pursuant to law, a report entitled "Annual Report on the Department of Defense Mentor-Protege Program" received on February 28, 2005; to the Committee on Armed Services.

EC-1151. A communication from the Executive Secretary and Chief of Staff, U.S. Agency for International Development, transmitting, pursuant to law, the report of a vacancy in the position of Assistant Administrator, Bureau for Democracy, Conflict and Humanitarian Assistance, received on February 28, 2005; to the Committee on Foreign Relations.

EC-1152. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HATCH:

S. 476. A bill to authorize the Boy Scouts of America to exchange certain land in the

State of Utah acquired under the Recreation and Public Purposes Act; to the Committee on Energy and Natural Resources.

By Mr. DORGAN (for himself and Mr. INOUE):

S. 477. A bill to amend the Homeland Security Act of 2002 to include Indian tribes among the entities consulted with respect to activities carried out by the Secretary of Homeland Security, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. LEAHY:

S. 478. A bill to designate the annex to the E. Barrett Prettyman Federal Building and United States Courthouse located at 333 Constitution Avenue Northwest in the District of Columbia as the "William B. Bryant Annex; to the Committee on Environment and Public Works.

By Ms. CANTWELL:

S. 479. A bill to amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State; to the Committee on Finance.

By Mr. ALLEN (for himself and Mr. WARNER):

S. 480. A bill to extend Federal recognition to the Chickahominy Indian Tribe, the Chickahominy Indian Tribe—Eastern Division, the Upper Mattaponi Tribe, the Rappahannock Tribe, Inc., the Monacan Indian Nation, and the Nansemond Indian Tribe; to the Committee on Indian Affairs.

By Mr. AKAKA:

S. 481. A bill to amend title 38, United States Code, to extend the period of eligibility for health care for combat service in the Persian Gulf War or future hostilities from two years to five years after discharge or release; to the Committee on Veterans' Affairs.

By Mr. CONRAD (for himself and Mr. DORGAN):

S. 482. A bill to provide environmental assistance to non-Federal interests in the State of North Dakota; to the Committee on Environment and Public Works.

By Mr. CORNYN:

S. 483. A bill to strengthen religious liberty and combat government hostility to expressions of faith, by extending the reach of The Equal Access Act to elementary schools; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WARNER (for himself and Ms. COLLINS):

S. 484. A bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums; to the Committee on Finance.

By Mr. CRAIG (for himself, Mr. BUNNING, and Mr. BINGAMAN):

S. 485. A bill to reauthorize and amend the National Geologic Mapping Act of 1992; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 486. A bill to require the Secretary of the Navy to procure helicopters under the VH-3D presidential helicopter fleet replacement program that are wholly manufactured in the United States; to the Committee on Armed Services.

By Mr. NELSON of Nebraska (for himself, Mr. SMITH, Ms. LANDRIEU, and Mr. JEFFORDS):

S. 487. A bill to amend title 10, United States Code, to provide leave for members of the Armed Forces in connection with adoptions of children, and for other purposes; to the Committee on Armed Services.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 488. A bill to establish a commercial truck highway safety demonstration program in the State of Maine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ALEXANDER (for himself, Mr. KYL, and Mr. CORNYN):

S. 489. A bill to amend chapter 111 of title 28, United States Code, to limit the duration of Federal consent decrees to which State and local governments are a party, and for other purposes; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 11, a bill to amend title 10, United States Code, to ensure that the strength of the Armed Forces and the protections and benefits for members of the Armed Forces and their families are adequate for keeping the commitment of the people of the United States to support their service members, and for other purposes.

S. 43

At the request of Mr. HAGEL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 43, a bill to provide certain enhancements to the Montgomery GI Bill Program for certain individuals who serve as members of the Armed Forces after the September 11, 2001, terrorist attacks, and for other purposes.

S. 50

At the request of Mr. INOUE, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 50, a bill to authorize and strengthen the National Oceanic and Atmospheric Administration's tsunami detection, forecast, warning, and mitigation program, and for other purposes.

S. 121

At the request of Mr. DEWINE, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. 121, a bill to amend titles 10 and 38, United States Code, to improve the benefits provided for survivors of deceased members of the Armed Forces, and for other purposes.

S. 188

At the request of Mrs. FEINSTEIN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 188, a bill to amend the Immigration and Nationality Act to authorize appropriations for fiscal years 2005 through 2011 to carry out the State Criminal Alien Assistance Program.

S. 196

At the request of Mr. DORGAN, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 196, a bill to amend the Internal Revenue Code of 1986 to provide for the taxation of income of controlled foreign corporations attributable to imported property.

S. 203

At the request of Mr. THOMAS, the name of the Senator from Wyoming

(Mr. ENZI) was added as a cosponsor of S. 203, a bill to reduce temporarily the royalty required to be paid for sodium produced on Federal lands, and for other purposes.

S. 241

At the request of Ms. SNOWE, the names of the Senator from Texas (Mrs. HUTCHISON), the Senator from Wisconsin (Mr. KOHL), the Senator from Vermont (Mr. LEAHY) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 241, a bill to amend section 254 of the Communications Act of 1934 to provide that funds received as universal service contributions and the universal service support programs established pursuant to that section are not subject to certain provisions of title 31, United States Code, commonly known as the Antideficiency Act.

S. 270

At the request of Mr. LUGAR, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 270, a bill to provide a framework for consideration by the legislative and executive branches of proposed unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.

S. 271

At the request of Mr. MCCAIN, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 271, a bill to amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, and for other purposes.

S. 285

At the request of Mr. BOND, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. 285, a bill to reauthorize the Children's Hospitals Graduate Medical Education Program.

S. 295

At the request of Mr. SCHUMER, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 295, a bill to authorize appropriate action in the negotiations with the People's Republic of China regarding China's undervalued currency are not successful.

S. 296

At the request of Mr. KOHL, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 296, a bill to authorize appropriations for the Hollings Manufacturing Extension Partnership Program, and for other purposes.

S. 352

At the request of Ms. MIKULSKI, the name of the Senator from New Hampshire (Mr. SUNUNU) was added as a cosponsor of S. 352, a bill to revise certain requirements for H-2B employers and require submission of information regarding H-2B non-immigrants, and for other purposes.

S. 363

At the request of Mr. INOUE, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 363, a bill to amend the Non-indigenous Aquatic Nuisance Prevention and Control Act of 1990 to establish vessel ballast water management requirements, and for other purposes.

S. 382

At the request of Mr. ENSIGN, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of S. 382, a bill to amend title 18, United States Code, to strengthen prohibitions against animal fighting, and for other purposes.

S. 397

At the request of Mr. CRAIG, the names of the Senator from South Carolina (Mr. DEMINT), the Senator from North Carolina (Mrs. DOLE), the Senator from North Dakota (Mr. DORGAN), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from Nebraska (Mr. HAGEL) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 397, a bill to prohibit civil liability actions from being brought or continued against manufacturers, distributors, dealers, or importers of firearms or ammunition for damages, injunctive or other relief resulting from the misuse of their products by others.

S. 403

At the request of Mr. ENSIGN, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of S. 403, a bill to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

S. 424

At the request of Mr. BOND, the names of the Senator from Minnesota (Mr. DAYTON) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 424, a bill to amend the Public Health Service Act to provide for arthritis research and public health, and for other purposes.

S. 450

At the request of Mrs. CLINTON, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 450, a bill to amend the Help America Vote Act of 2002 to require a voter-verified paper record, to improve provisional balloting, to impose additional requirements under such Act, and for other purposes.

S. 453

At the request of Mr. SMITH, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 453, a bill to amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide for an extension of eligibility for supplemental security income through fiscal year 2008 for refugees, asylees, and certain other humanitarian immigrants.

S. 456

At the request of Mr. SMITH, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 456, a bill to amend part A of title IV of the Social Security Act to permit a State to receive credit towards the work requirements under the temporary assistance for needy families program for recipients who are determined by appropriate agencies working in coordination to have a disability and to be in need of specialized activities.

S. 467

At the request of Mr. DODD, the names of the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Ms. STABENOW) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 467, a bill to extend the applicability of the Terrorism Risk Insurance Act of 2002.

S. RES. 33

At the request of Mr. LEVIN, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. Res. 33, a resolution urging the Government of Canada to end the commercial seal hunt.

S. RES. 44

At the request of Mr. ALEXANDER, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Ohio (Mr. DEWINE), the Senator from Illinois (Mr. OBAMA) and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. Res. 44, a resolution celebrating Black History Month.

S. RES. 56

At the request of Mr. SPECTER, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. Res. 56, a resolution designating the month of March as Deep-Vein Thrombosis Awareness Month, in memory of journalist David Bloom.

S. RES. 59

At the request of Mr. SMITH, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. Res. 59, a resolution urging the European Union to maintain its arms export embargo on the People's Republic of China.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. INOUE):

S. 477. A bill to amend the Homeland Security Act of 2002 to include Indian tribes among the entities consulted with respect to activities carried out by the Secretary of Homeland Security, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. DORGAN. Mr. President, I rise today to introduce the Tribal Government Amendments to the Homeland Security Act of 2002. Senator INOUE joins me in sponsoring this measure.

It is well known that tribal governments serve as the primary instru-

ments of law enforcement and emergency response for the more than fifty million acres of land that comprise Indian country.

More than twenty-five Indian tribes have jurisdiction over lands that are either adjacent to international borders or are directly accessible to an international border by boat. These lands consist of over 260 miles of the 7,400 miles of the international borders the United States shares with Canada and Mexico.

But it is not only tribes located on or near international borders or waters that have a role to play in protecting the Nation's strategic assets. Energy resources located on tribal lands make up a significant share of the United States' energy resources. Tribal governments hold title to 30 percent of the coal resources west of the Mississippi River, 37 percent of potential uranium resources, and three percent of known oil and gas resources in the United States.

There is also extensive infrastructure located on or near tribal lands that is critical to our Nation's security—including dams, hydroelectric facilities, nuclear power generating plants, oil and gas pipelines, transportation corridors of railroads and highway systems, and communications towers.

Like other governments, tribal governments need the necessary resources to develop their capacities to respond to threats of terrorism including access to information and information warning systems, law enforcement data bases, and health alert systems related to the possible use of chemical and biological warfare.

The Homeland Security Act of 2002 provides the authority for the establishment of the Department of Homeland Security and the various duties and responsibilities of the Department and its employees. Many provisions of the Act reference State and local governments, but unfortunately, Indian tribal governments were erroneously included in the definition of "local government" in the Act as if tribal governments were political subdivisions of each State.

The Federal government has long recognized that Indian tribes are separate, distinct sovereigns, with which the United States has a government-to-government relationship. The U.S. Supreme Court has consistently sustained this status and the United States' relationship with the tribal governments. The United States' policy of tribal self-governance and self-determination has proven to be the most successful for Indian tribes.

The measure that I introduce today would treat Indian tribes as the separate political entities that they are, consistent with the Federal policy of tribal self-governance and self-determination. The bill amends the Homeland Security Act of 2002 by removing Indian tribes from the definition of "local government" and instead including the terms "Indian tribe" and "tribal government" in the appropriate

places where the terms "State" and "local governments" are used.

This bill would also explicitly vest the Secretary of the Department of Homeland Security with the discretionary authority to provide direct funding to Indian tribal governments. Because Indian tribes are already eligible for funding by virtue of their inclusion in the definition of "local government," this bill will not require additional funding nor will it divert any resources away from States or local governments.

It is clear that Indian tribal governments have a vital role to play in the protection of our Nation's security, and I would urge my colleagues to give their favorable consideration to this measure.

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. 477

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 "Tribal Government Amendments to the Homeland Security Act of 2002".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there is a government-to-government relationship between the United States and each Indian tribal government;

(2) through statutes and treaties, Congress has recognized the inherent sovereignty of Indian tribal governments and the rights of Native people to self-determination and self-governance;

(3) each Indian tribal government possesses the inherent sovereign authority—

(A)(i) to establish its own form of government;

(ii) to adopt a constitution or other organic governing documents; and

(iii) to establish a tribal judicial system; and

(B) to provide for the health and safety of those who reside on tribal lands, including the provision of law enforcement services on lands under the jurisdiction of the tribal government;

(4) tribal emergency response providers, such as tribal emergency public safety officers, law enforcement officers, emergency response personnel, emergency medical personnel and facilities (including tribal and Indian Health Service emergency facilities), and related personnel, agencies, and authorities—

(A) play a crucial role in providing for the health and safety of those who reside on tribal lands; and

(B) are necessary components of a comprehensive system to secure the homeland of the United States;

(5) there are more than 25 Indian tribes that have primary jurisdiction over—

(A) lands within the United States that is adjacent to the Canadian or Mexican border; or

(B) waters of the United States that provide direct access by boat to lands within the United States;

(6) the border lands under the jurisdiction of Indian tribal governments comprises more than 260 miles of the approximately 7,400 miles of international border of the United States;

(7) numerous Indian tribal governments exercise criminal, civil, and regulatory jurisdiction over lands on which dams, oil and gas deposits, nuclear or electrical power plants, water and sanitation systems, or timber or other natural resources are located; and

(8) the involvement of tribal governments in the protection of the homeland of the United States is essential to the comprehensive maintenance of the homeland security of the United States.

(b) PURPOSES.—The purposes of this Act are to ensure that—

(1) the Department of Homeland Security consults with, involves, coordinates with, and includes Indian tribal governments in carrying out the mission of the Department under the Homeland Security Act of 2002 (Public Law 107-296); and

(2) Indian tribal governments participate fully in the protection of the homeland of the United States.

SEC. 3. TABLE OF CONTENTS; DEFINITIONS.

(a) TABLE OF CONTENTS.—The table of contents of the Homeland Security Act of 2002 (Public Law 107-296; 116 Stat. 2135) is amended by striking the item relating to section 801 and inserting the following:

"Sec. 801. Office of State, Tribal, and Local Government Coordination."

(b) DEFINITIONS.—Section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101) is amended—

(1) in paragraph (6), by inserting "tribal," after "State,";

(2) by redesignating paragraphs (9), (10), (11), (12), (13), (14), (15), and (16) as paragraphs (10), (11), (12), (13), (14), (15), (16), and (19), respectively;

(3) by inserting after paragraph (8) the following:

"(9) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community located in the continental United States (excluding the State of Alaska) that is recognized as being eligible for the special programs and services provided by the United States to Indians because of their status as Indians.";

(4) by inserting after paragraph (16) (as redesignated by paragraph (2)) the following:

"(17) TRIBAL COLLEGE OR UNIVERSITY.—The term 'tribal college or university' has the meaning given the term in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b))."

"(18) TRIBAL GOVERNMENT.—The term 'tribal government' means the governing body of an Indian tribe that is recognized by the Secretary of the Interior."

SEC. 4. DEPARTMENT OF HOMELAND SECURITY.

(a) SECRETARY; FUNCTIONS.—Section 102 of the Homeland Security Act of 2002 (6 U.S.C. 112) (as amended by section 7402 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458)) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Office of State and Local Coordination" and inserting "Office of State, Tribal, and Local Government Coordination and Preparedness"; and

(B) in paragraphs (1), (2), and (3), by inserting "tribal," after "State" each place it appears; and

(2) in subsection (f)—

(A) in paragraph (8), by inserting "tribal," after "State,"; and

(B) in paragraph (10), by striking "Office of State and Local Government Coordination and Preparedness" and inserting "Office of State, Tribal, and Local Government Coordination and Preparedness".

(b) CONFORMING AMENDMENT.—Section 7405 of the Intelligence Reform and Terrorism

Prevention Act of 2004 (6 U.S.C. 112 note; Public Law 108-458) is amended by striking "Office of State and Local Government Coordination and Preparedness" and inserting "Office of State, Tribal, and Local Government Coordination and Preparedness".

SEC. 5. INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION.

(a) DIRECTORATE FOR INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION.—Section 201(d) of the Homeland Security Act of 2002 (6 U.S.C. 121(d)) is amended—

(1) in paragraphs (1), (3), (6), (7)(B), (8), (9), (11), (13), and (16), by inserting "tribal," after "State" each place it appears; and

(2) in paragraph (17), by inserting "tribal," after "State,".

(b) ACCESS TO INFORMATION.—Section 202(d)(2) of the Homeland Security Act of 2002 (6 U.S.C. 122(d)(2)) is amended by inserting "tribal," after "State".

(c) PROTECTION OF VOLUNTARILY SHARED CRITICAL INFRASTRUCTURE INFORMATION.—Section 214 of the Homeland Security Act of 2002 (6 U.S.C. 133) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (D)(ii)(II), by striking "General Accounting Office." and inserting "Government Accountability Office"; and

(B) in subparagraph (E), by inserting "tribal," after "State" each place it appears;

(2) in subsection (c), by inserting "tribal," after "State,"; and

(3) in subsection (e)(2)(D), by inserting "tribal," after "State".

(d) ENHANCEMENT OF NON-FEDERAL CYBERSECURITY.—Section 223(1) of the Homeland Security Act of 2002 (6 U.S.C. 143(1)) is amended by inserting "tribal," after "State".

(e) MISSION OF OFFICE; DUTIES.—Section 232 of the Homeland Security Act of 2002 (6 U.S.C. 162) is amended—

(1) in subsection (a)(2), by inserting "tribal," after "State,";

(2) in subsection (b)—

(A) in paragraphs (2) and (3), by inserting "tribal," after "State," each place it appears;

(B) in paragraph (6)—

(i) in the matter preceding subparagraph (A), by inserting "tribal," after "State,"; and

(ii) in subparagraph (H), by inserting "tribal," after "State"; and

(C) in paragraphs (9), (11), and (14), by inserting "tribal," after "State" each place it appears; and

(3) in subsection (g)(1)(A), by inserting "tribal," after "State,".

(f) NATIONAL LAW ENFORCEMENT AND CORRECTIONS TECHNOLOGY CENTERS.—Section 235(d) of the Homeland Security Act of 2002 (6 U.S.C. 165(d)) is amended by inserting "tribal," after "State,".

SEC. 6. SCIENCE AND TECHNOLOGY IN SUPPORT OF HOMELAND SECURITY.

(a) RESPONSIBILITIES AND AUTHORITIES OF THE UNDERSECRETARY FOR SCIENCE AND TECHNOLOGY.—Section 302(6) of the Homeland Security Act of 2002 (6 U.S.C. 182(6)) is amended by inserting "tribal," after "State,".

(b) CONDUCT OF CERTAIN PUBLIC HEALTH-RELATED ACTIVITIES.—Section 304(a) of the Homeland Security Act of 2002 (6 U.S.C. 184(a)) is amended by inserting "and the Indian Health Service" after "Public Health Service".

(c) CONDUCT OF RESEARCH, DEVELOPMENT, DEMONSTRATION, TESTING, AND EVALUATION.—Section 308(b) of the Homeland Security Act of 2002 (6 U.S.C. 188(b)) is amended—

(1) in paragraph (1)(A), by striking "colleges, universities," and inserting "colleges and universities (including tribal colleges and universities),";

(2) in paragraph (2)(B), by inserting "(including tribal colleges or universities)" after "universities".

(d) UTILIZATION OF DEPARTMENT OF ENERGY NATIONAL LABORATORIES AND SITES IN SUPPORT OF HOMELAND SECURITY ACTIVITIES.—Section 309(d) of the Homeland Security Act of 2002 (6 U.S.C. 189(d)) is amended by inserting “, tribal,” after “State”.

(e) HOMELAND SECURITY INSTITUTE.—Section 312(d) of the Homeland Security Act of 2002 (6 U.S.C. 192(d)) is amended by inserting “tribal colleges and universities,” after “education”.

(f) TECHNOLOGY CLEARINGHOUSE TO ENCOURAGE AND SUPPORT INNOVATIVE SOLUTIONS TO ENHANCE HOMELAND SECURITY.—Section 313 of the Homeland Security Act of 2002 (6 U.S.C. 193) is amended—

(1) in paragraphs (1) and (4) of subsection (b), by inserting “tribal,” after “State,” each place it appears; and

(2) in subsection (c)(1), by inserting “, tribal,” after “State”.

SEC. 7. DIRECTORATE OF BORDER AND TRANSPORTATION SECURITY.

(a) OFFICE FOR DOMESTIC PREPAREDNESS.—Section 430(c)(5) of the Homeland Security Act of 2002 (6 U.S.C. 238(c)(5)) is amended by inserting “, tribal,” after “State”.

(b) REPORT ON IMPROVING ENFORCEMENT FUNCTIONS.—Section 445(b) of the Homeland Security Act of 2002 (6 U.S.C. 255(b)) is amended by inserting “, tribal,” after “heads of State”.

SEC. 8. EMERGENCY PREPAREDNESS AND RESPONSE.

(a) RESPONSIBILITIES.—Section 502(5) of the Homeland Security Act of 2002 (6 U.S.C. 312(5)) is amended by inserting “tribal,” after “State”.

(b) CONDUCT OF CERTAIN PUBLIC HEALTH-RELATED ACTIVITIES.—Section 505(a) of the Homeland Security Act of 2002 (6 U.S.C. 315(a)) is amended—

(1) by inserting “tribal,” after “State,”; and

(2) by inserting “and the Indian Health Service” after “Public Health Service”.

SEC. 9. TREATMENT OF CHARITABLE TRUSTS FOR MEMBERS OF THE ARMED FORCES OF THE UNITED STATES AND OTHER GOVERNMENTAL ORGANIZATIONS.

Section 601(c)(9)(B) of the Homeland Security Act of 2002 (6 U.S.C. 331(c)(9)(B)) is amended by inserting “tribal,” after “State”.

SEC. 10. COORDINATION WITH NON-FEDERAL ENTITIES; INSPECTOR GENERAL; UNITED STATES SECRET SERVICE; COAST GUARD; GENERAL PROVISIONS.

(a) OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION.—Section 801 of the Homeland Security Act of 2002 (6 U.S.C. 361) is amended—

(1) in the section heading, by inserting “, TRIBAL,” after “STATE”;

(2) in subsection (a)—

(A) by inserting “, Tribal,” after “Office for State”; and

(B) by inserting “, tribal,” after “relationships with State”; and

(3) in subsection (b), by inserting “, tribal,” after “State” each place it appears.

(b) DEFINITIONS FOR SUPPORT ANTI-TERRORISM BY FOSTERING EFFECTIVE TECHNOLOGIES ACT.—Section 865(6) of the Homeland Security Act of 2002 (6 U.S.C. 444(6)) is amended by inserting “, tribal,” after “State”.

(c) REGULATORY AUTHORITY AND PREEMPTION.—Section 877(b) of the Homeland Security Act of 2002 (6 U.S.C. 457(b)) is amended—

(1) in the subsection heading, by inserting “, TRIBAL,” after “STATE”; and

(2) by inserting “, tribal,” after “State” each place it appears.

(d) INFORMATION SHARING.—Section 891 of the Homeland Security Act of 2002 (6 U.S.C. 481) is amended—

(1) in subsection (b)—

(A) in paragraphs (2), (4), (5), (7), (8), and (9), by inserting “, tribal,” after “State” each place it appears;

(B) in paragraph (6)—

(i) by inserting “, tribal,” after “certain State”; and

(ii) by inserting “tribal,” after “State,”; and

(C) in paragraphs (10) and (11), by inserting “tribal,” after “State,” each place it appears; and

(2) in subsection (c), by inserting “tribal,” after “State”.

(e) FACILITATING HOMELAND SECURITY INFORMATION SHARING PROCEDURES.—Section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482) is amended—

(1) in subsection (a)(1)(A), by inserting “, tribal,” after “State”;

(2) in paragraphs (1), (2)(D), and (6) of subsection (b), by inserting “, tribal,” after “State” each place it appears;

(3) in subsection (c)—

(A) in the subsection heading, by inserting “, TRIBAL,” after “STATE”; and

(B) by inserting “, tribal,” after “State” each place it appears;

(4) in subsection (e), by inserting “, tribal,” after “State” each place it appears;

(5) in subsection (f)—

(A) in paragraph (1), by inserting “tribal,” after “State,”; and

(B) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by inserting “, tribal,” after “State”;

(ii) in subparagraph (A), by inserting “tribally or” after “other”;

(iii) in subparagraph (B), by inserting “, tribal,” after “State”; and

(iv) in subparagraph (D), by inserting “tribal,” after “State,”; and

(6) in subsection (g), by inserting “, tribal,” after “State”.

(f) REPORT.—Section 893(a) of the Homeland Security Act of 2002 (6 U.S.C. 483(a)) is amended in the second sentence by inserting “tribal,” after “State”.

SEC. 11. DEPARTMENT OF JUSTICE DIVISIONS.

Section 1114(b) of the Homeland Security Act of 2002 (6 U.S.C. 532(b)) is amended by inserting “tribal,” after “State”.

SEC. 12. AMENDMENTS TO OTHER LAWS.

(a) CYBER SECURITY ENHANCEMENT ACT OF 2002.—

(1) EMERGENCY DISCLOSURE EXCEPTION.—Section 2702(b)(8) of title 18, United States Code, is amended by inserting “tribal,” after “State”.

(2) PROTECTING PRIVACY.—Section 2701(b)(1) of title 18, United States Code, is amended by inserting “or Indian tribe” after “or any State”.

(b) NATIONAL INSTITUTE OF JUSTICE.—Section 202(c)(11) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722(c)(11)) is amended by inserting “tribal,” after “State”.

(c) HOMELAND SECURITY FUNDING ANALYSIS IN PRESIDENT’S BUDGET.—Section 1105(a)(33)(A)(iii) of title 31, United States Code, is amended by inserting “, tribal,” after “State”.

(d) AUTHORITY TO SHARE ELECTRONIC, WIRE, AND ORAL INTERCEPTION INFORMATION.—Section 2517(8) of title 18, United States Code, is amended by inserting “tribal,” after “State,” each place it appears.

(e) FOREIGN INTELLIGENCE INFORMATION.—Section 203(d)(1) of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 (50 U.S.C. 403-5d) is amended by inserting “tribal,” after “State,” each place it appears.

(f) FOREIGN INTELLIGENCE SURVEILLANCE.—

(1) INFORMATION ACQUIRED FROM AN ELECTRONIC SURVEILLANCE.—Section 106(k)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1806(k)(1)) is amended by inserting “or Indian tribe” after “subdivision”.

(2) INFORMATION ACQUIRED FROM A PHYSICAL SEARCH.—Section 305(k)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1825(k)(1)) is amended by inserting “or Indian tribe” after “subdivision”.

(g) TRANSFER OF CERTAIN SECURITY AND LAW ENFORCEMENT FUNCTIONS AND AUTHORITIES.—Section 1315 of title 40, United States Code (as amended by section 1706(b)(1) of the Homeland Security Act of 2002 (Public Law 107-296; 116 Stat. 2316)), is amended—

(1) in subsection (d)(3), by inserting “tribal,” after “State,”; and

(2) in subsection (e), by inserting “, tribal,” after “State” each place it appears.

SEC. 13. AUTHORIZATION FOR DIRECT FUNDING.

The Secretary of Homeland Security may provide any funds made available under the Homeland Security Act of 2002 (Public Law 107-296) directly to any Indian tribe, band, nation, or other organized group or community located in the continental United States (excluding the State of Alaska) that is recognized as being eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

By Mr. LEAHY:

S. 478. A bill to designate the annex to the E. Barrett Prettyman Federal Building and United States Courthouse located at 333 Constitution Avenue Northwest in the District of Columbia as the “William B. Bryant Annex”; to the Committee on Environment and Public Works.

Mr. LEAHY. Mr. President, I am pleased to call attention to the extraordinary public service of Judge William B. Bryant. Last July, I introduced S. 2619, a bill that would have designated the new annex to the E. Barrett Prettyman United States Courthouse in Washington, D.C., the “William B. Bryant Annex.” It was the Senate companion bill to legislation introduced by Congresswoman ELEANOR HOLMES NORTON of the District of Columbia.

While the House bill passed by voice vote, the Senate bill was stalled by objection. There was concern that a courthouse annex be named for a judge still serving. This objection was adhered to despite the numerous exceptions to such a rule, including another exception enacted last year.

It would have been worthy of celebration this last month, during Black History Month, if we could have held such a naming ceremony involving Judge Bryant. Others prevented that from taking place. I believe it important that we continue every month to recognize the extraordinary contributions of African Americans. Congresswoman NORTON has been willing to seek to accommodate those Senators who objected by revising this bill to delay the effective date of the naming until after Judge Bryant steps down from the Court. It is sadly ironic that Judge Bryant's continuing historic service is held against honoring him. He continues to perform duties as a senior

Federal judge at the age of 93. I commend Congresswoman NORTON for her efforts and determination. I hope that this change will remove the final impediment and allow the District of Columbia and the Nation to honor Judge Bryant before his 94th birthday this September.

The value of Judge Bryant's service has been recognized by his colleagues. Judge Bryant and his lifelong service to the law was celebrated in a September 16, 2004 Washington Post article. The article details a life spent dedicated to public service.

Judge Bryant began his legal career with the belief that lawyers could make a difference in eliminating the widespread racial segregation in the United States. He became a criminal defense lawyer in 1948, taking on many pro bono cases and was soon recognized by the U.S. Attorney's office for his skills as a defense attorney. The U.S. Attorney's office hired him in 1951 and he became the first African American to practice in Federal court here in the District.

Judge Bryant was nominated by President Johnson to the Federal bench in 1965 and became the first African American Chief Judge for the United States District Court in D.C. Forty years later, Judge Bryant still works at the courthouse four days a week and the Washington Post reports that he handled more criminal trials than any other senior judge on the court last year. Judge Bryant said in an interview with the Post: "I feel like I'm part of the woodwork. I have to think hard to think of a time when I wasn't in this courthouse."

The Washington Post article mentions that E. Barrett Prettyman, Jr., the son of the judge for whom the Federal courthouse is named, praised the recommendation that the annex be named after Judge Bryant. He said that his father "admired Judge Bryant tremendously" and would have wanted the annex to be named after him.

Before my introduction of this bill last year, Chief Judge Thomas F. Hogan of the United States District Court for the District of Columbia, requested for himself and all the other judges on the court that the newly constructed annex be named after Judge Bryant. They appreciate the historic significance of Judge Bryant's service.

I urge the Senate this year to move ahead with this important commendation of Judge Bryant's lifetime of service and dedication to the principles of the Constitution and the law.

I ask unanimous consent that an article and the text of the bill be printed in the RECORD.

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

[From the Washington Post, Sept. 16, 2004]

A LIFETIME OF FAITH IN THE LAW; AT 93, SENIOR JUDGE WILLIAM BRYANT STILL WINS PLAUDITS FOR DEDICATION TO JUSTICE

(By Carol Leonnig)

A few days after the new U.S. District Courthouse opened on Constitution Avenue

in the fall of 1952, Bill Bryant walked in to start work as a recently hired federal prosecutor.

More than a half-century has passed, and Bryant's life remains centered on that state-ly granite building in the shadow of the U.S. Capitol. It's in those halls that he became a groundbreaking criminal defense attorney, a federal judge, and then the court's chief judge—the first African American in that position.

Today, at the age of 93, U.S. District Court Senior Judge William Bryant still drives himself to work at the courthouse four days a week and pushes his walker to his courtroom.

At a recent birthday party for Bryant hosted by Vernon Jordan, fellow Senior U.S. District Court Judge Louis Oberdorfer remarked that there were "only two people in the world who really understood the Constitution" and how it touched the lives of real people.

"That's Hugo Black and Bill Bryant," said Oberdorfer. He had clerked for Justice Hugo L. Black, who retired as an associate justice in 1971 after serving on the Supreme Court for 34 years.

To honor Bryant's life's work, his fellow judges this past spring unanimously recommended that a nearly completed courthouse annex be named for him. The \$110 million, 351,000-square-foot addition will add nine state-of-the-art courtrooms and judges' offices to the courthouse and is designed to meet the court's expansion needs for the next 30 years. It is slated to open next spring.

In urging that the building be named for Bryant, his supporters cite his devotion to the Constitution and his belief that the law will produce a just result.

During a rare interview in his sixth-floor office in the federal courthouse, Bryant reached out for a pocket version of the Constitution covered in torn green plastic lying on the top of his desk. Holding it aloft in his right hand, he told stories of his struggling former clients and made legal phrases—"due process" and "equal protection"—seem like life-saving staples.

Though he needs his law clerk's arm to get up the steps to the bench, he is a fairly busy senior jurist. He handled more criminal trials than any other senior judge last year and still surprises new lawyers with his sharp retorts.

"I feel like I'm part of the woodwork," Bryant said. "I have to think hard to think of a time when I wasn't in this courthouse."

He started down his career path inspired by a Howard University law professor who believed that lawyers could make a difference in that time of racial segregation and discrimination. Bryant said he remains convinced today that lawyers can stop injustice whenever it arises.

"Without lawyers, this is just a piece of paper," Judge Bryant said, gesturing with the well-worn Constitution. "If it weren't for lawyers, I'd still be three-fifths of a man. If it weren't for lawyers, we'd still have signs directing people this way and that, based on the color of their skin. If it weren't for lawyers, you still wouldn't be able to vote."

"The most important professions are lawyer and teacher, in my opinion," he said.

Some lawyers complain that Bryant is so rooted in his criminal defense training that he shows some distrust of the prosecution. And his practice of presiding over trials, but asking other judges to sentence the people convicted, has spurred some curiosity. He won't elaborate on the reason, but his friends say he found the new federal sentencing guidelines inflexible and harsh.

A 1993 study found Bryant was reversed 17 percent of the time by appellate judges—the average reversal rate for the trial court.

Chief Judge Thomas F. Hogan presented the proposal to name the annex after Bryant to Del. Eleanor Holmes Norton and Sen. Patrick Leahy (D-Vt.) earlier this year, and they are now trying to get Congress to approve the naming this fall. One member, Sen. James M. Inhofe (R-Okla.), has tried to block it, with his staff pointing to a D.C. policy that buildings not be named after living people.

Norton said numerous courts around the country have been named in honor of living judges, and she said she looks forward to meeting with Inhofe in person to convince him of the wisdom of naming this building, designed by renowned architect Michael Graves, after a barrier-breaking judge.

"This is no ordinary naming," she said. "This is a truly great African American judge whose accomplishments are singular. First African American assistant U.S. attorney, First African American chief judge."

E. Barrett Prettyman Jr., the son of the jurist for whom the federal courthouse in Washington is named, also applauds the proposed annex naming. He said his father "admired Judge Bryant tremendously" and would have endorsed it, too.

"Whenever it's discussed, people brighten right up and think it's a great idea," said Prettyman, himself a former president of the D.C. Bar Association. "I'm sorry it's hit this snag. . . . If you were going to have an exception, my personal opinion is you could not have a better exception than for Judge Bryant."

William Benson Bryant is hailed as a true product of Washington. Though he was born in a rural town in Alabama, he moved to the city soon after turning 1. His grandfather, fleeing a white lynch mob, relocated the extended family here, including Bryant's father, a railroad porter, and his mother, a housewife. They all made their first home on Benning Road, which was then a dirt path hugging the eastern shore of the Anacostia River.

Bryant attended D.C. public schools when the city's black children were taught in separate and grossly substandard facilities. Still he flourished, studying politics at the city's premier black high school, Dunbar, then going on to Howard University. While working at night as an elevator operator, he studied law and met his future wife, Astaire. They were married for 60 years, until her death in 1997.

He and his law classmates—the future civil rights movement's intellectual warriors—worked at their dreams in the basement office of their law professor, Charles Houston. Houston promised the group, which included the future Supreme Court Justice Thurgood Marshall and appellate judge Spottswood Robinson, that lawyers armed with quick minds and the Constitution could end segregated schools and unjust convictions of innocent black men.

"I kind of got fascinated by that," he said. "We all did."

But when Bryant graduated first in his class from Howard's law school, there were no jobs for a black lawyer. He became a chief research assistant to Ralph Bunche, an African American diplomat who later was awarded the Nobel Peace Prize, on a landmark study of American race relations; he then fought in World War II and was discharged from the Army as a lieutenant colonel in 1947.

His first step was to take the bar exam, then hang out a shingle as a criminal defense lawyer in 1948. His skills soon drew the attention of prosecutors in the U.S. Attorney's Office, who liked him even though they kept losing cases to him, and they recommended that their boss hire him. During a job interview, Bryant made a request of George Fay,

then the U.S. attorney: "Mr. Fay, if I cut the mustard in municipal court, can I go over to the big court like the other guys?"

No black prosecutor had ever practiced in the federal court—or "big court," as it was called—but Fay agreed. Bryant signed on in 1951 and was handling grand jury indictments in the new federal courthouse the next year.

Bryant vividly recalls a case from that time involving an apartment building caretaker who was on trial on charges of raping the babysitter of one tenant's family.

"I went for him as hard as I could," Bryant said, squaring his shoulders. "I didn't like him, and I didn't like what he did to that girl."

So the young prosecutor sought the death penalty, an option then for first-degree murder and rape. He left the courtroom after closing arguments "feeling pretty good about my case" and awaited the jury's verdict in his third-floor court office. But when a marshal later called out, "Bryant, jury's back," the judge said, "I broke out in a sweat."

He peeked anxiously into the court, saw the jury foreman mouth only the word "guilty." Bryant learned seconds later that the jurors had spared the man's life.

"I was so relieved," he said. "When you're young, you don't know anything. . . . Now I think, murder is murder, no matter who is doing it."

He left the prosecutor's office in 1954 and returned to criminal defense with fellow classmate William Gardner in an F Street law office later bulldozed for the MCI Center. They were partners in Houston, Bryant and Gardner, a legendarily powerful African American firm. Ten judges would eventually come from its ranks.

In those days, Bryant chuckled, he didn't feel so powerful. Judges who remembered his prosecution work kept appointing him to represent defendants who had no money. That was before the 1963 Supreme Court's Gideon decision requiring that indigent defendants be represented by a lawyer—at public expense, if necessary.

"The judge would say, 'Mr. So and So, you say you don't have any money to hire an attorney?'" Bryant recalled. "Well, then, the court appoints Mr. Bryant to represent you."

Some paid \$25 or \$50. Some paid nothing. "There were weeks we paid the help and split the little bit left over for our groceries," he said.

Bill Schultz, Bryant's former law clerk, said Bryant took the cases "out of this sense of obligation to the court and legal system. He was very aware of discrimination, and he always fought for the criminal defendants."

At the time, blacks were barred from the D.C. Bar Association and its law library. Bryant went in anyway, and the black librarian let him.

One of his pro bono clients was Andrew Roosevelt Mallory, a 19-year-old who confessed to a rape after an eight-hour interrogation in a police station. Mallory was convicted and sent to death row. Defending Mallory's rights, a case Bryant took all the way to the Supreme Court in 1957, made him both nervous and famous.

He said he fretted constantly about his client facing the electric chair during the two years the case dragged on. "You talk about worried," he said. "It's something I can't forget."

But the Supreme Court agreed with Bryant that a man accused of a crime is entitled to be taken promptly before a magistrate to hear the charges against him. The court overturned Mallory's conviction and handed down a landmark decision on defendants' rights.

U.S. District Judge Paul Friedman, a longtime fan of Bryant's, said Bryant's legal talents are on display every day in his courtroom, but lawyers are still taken aback by his factual resolve and clear logic when hearing an audiotape recording of his Supreme Court argument in the Mallory case.

"He's clearly a terrific lawyer, but he's mostly a terrific human being," Friedman said. "He sees the best in people, and he really cares about what happens to people."

Bryant remembers that when President Lyndon B. Johnson nominated him to be a judge, he felt elated, confident he had earned his opportunity. But Bryant said a different feeling came over him the day he donned the robes.

"I was sworn in in the morning that day, and Oliver Gasch was sworn in that afternoon," Bryant recalled. "I told Oliver, 'You know, I've been a lawyer for many years, but putting on this robe, I don't feel so sure. This is a serious responsibility.'"

Gasch smiled: "Bill, I don't think it's going to be that hard for you. You know right from wrong."

Bryant oversaw some famous cases, and he freely shared his thoughts when he thought something was wrong.

After presiding over the 1981 trial of Richard Kelly, a Republican congressman caught on videotape taking money from federal agents in a sting operation, Bryant complained that the FBI had set an "outrageous" trap for the Florida representative by stuffing cash in his pocket after he'd refused the bribe several times. He set aside Kelly's conviction.

"The investigation . . . has an odor to it that is absolutely repulsive," Bryant said then. "It stinks."

In handling the longest-running case in the court's history, a 25-year-old case about inhumane and filthy conditions in the D.C. jail, the judge chastised city leaders in 1995. He said he had been listening to their broken promises to fix the problems "since the Big Dipper was a thimble."

In weighing the case of a group of black farmers with similar discrimination complaints against the U.S. Department of Agriculture in 2000, Bryant warned a government lawyer that his argument against a class-action discrimination suit wasn't working: "Either you're dense or I'm dense," he said.

Schultz said the judge simply trusted the combination of facts and the law.

"He always said, 'Don't fight the facts,'" Schultz said. "He thought most of the time the law would end up in the right place."

Bryant acknowledges it's hard sometimes to see lawyers struggle to make their arguments when they have the law and the facts on their side.

"A judge has a stationary gun, and he's looking through the sights," he said. "Unless the lawyer brings the case into the bull's-eye, the judge can't pull the trigger. Good lawyers bring the case into the sights."

Bryant said he was preceded by many great lawyers, which is why the new plan to put his name on a piece of the courthouse gives him conflicting feelings.

"I was flattered, but I thought they shouldn't have done it," Bryant said. "There are so many people who were really giants. I stand on their shoulders."

S. 478

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

SECTION 1. DESIGNATION.

The annex to the E. Barrett Prettyman Federal Building and United States Courthouse located at Constitution Avenue Northwest in the District of Columbia shall be

known and designated as the "William B. Bryant Annex".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the annex referred to in section 1 shall be deemed to be a reference to the "William B. Bryant Annex".

SEC. 3. EFFECTIVE DATE.

This Act takes effect on the date on which William B. Bryant, a senior judge for the United States District Court for the District of Columbia, relinquishes or otherwise ceases to hold a position as a judge under article III of the Constitution.

By Ms. CANTWELL:

S. 479. A bill to amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State; to the Committee on Finance.

Ms. CANTWELL. Mr. President, today I am introducing legislation to correct a tax injustice affecting my home State of Washington, and all States that do not have a State income tax. My bill, the Nonresident Income Tax Freedom Act, would prohibit States from imposing income taxes on individuals that are not residents of that State. I hear about this issue in the areas of my State that border Oregon and Idaho, both States that have income taxes. In fact, wherever I go in Vancouver and throughout Clark County, I hear time and again from constituents about the unfairness of living in Washington State—a State that does not have an income tax—and working in Oregon—a State that does have an income tax and being taxed on their income earned in Oregon.

According to the Oregon Department of Revenue, in 2002, there were 51,991 Clark County residents working in Oregon. Taxed on their income, these nearly 52,000 individuals remitted \$104 million to Oregon that year.

Representing all of Washington State in Congress, it is not lost on me that an additional 30,181 Washington State residents outside of Clark County were also employed in Oregon in 2002, and these 30,000 paid the State of Oregon \$49.8 million.

Furthermore, there are Washington State residents working in Idaho. In 2002, 19,467 of them owed the State of Idaho \$18.9 million in income taxes.

While I would like to hope that most Washingtonians could find employment in Washington State, and I am grateful for the job opportunities presented to Washingtonians in Oregon, I find it antithetical to notions of lifting up the economy of Washington State to have the incomes of Washington State residents taxed in Oregon.

We have historical roots in this country related to the notion of no taxation without representation. Washington residents being taxed in Oregon is contrary to this whole premise—a premise upon which American independence rested over 200 years ago.

Good tax policy rests on the notion that individual's contribution to the

government through taxes brings benefits to those individuals—good schools, navigable roads, safe communities, clean water, and other services.

With incomes taxed in Oregon, Washington residents receive very little benefit for the contributions made to the State of Oregon. Granted, Oregon maintains the infrastructure used by Washingtonians to get to work; but there are a number of benefits that Washington residents never realize from the taxes they pay. For example, Washington State residents employed in Oregon and paying Oregon income taxes do not receive in-State tuition rates for college.

In addition, Washington State residents employed in Oregon and paying Oregon income taxes do not receive the benefit of paying less for fishing licenses. Examples of what this can mean: for 2005, an angling license for Oregonians is \$24.75 for the year; for a Washingtonian who pays income taxes in Oregon, his/her angling license is \$61.50—a 248-percent increase. The discrepancy in Idaho is even greater. For 2005, a combined hunting/fishing license for an Idaho resident is \$30.50 and for a Washingtonian who is paying Idaho income taxes would be charged \$181.50 for the same license—a 595-percent increase.

And first and foremost, Washington residents employed in Oregon and paying income taxes are not afforded voting rights in Oregon, thereby being taxed without representation.

The power for Congress to enact legislation to prohibit one State from assessing taxes on nonresidents working within that State exists in the Commerce Clause of the U.S. Constitution, Article I, Section 8, Clause 3. And Congress has exercised this authority in the past.

The Soldiers' and Sailors' Civil Relief Act of 1940 prohibits States from taxing the compensation of nonresident military personnel who are stationed in that State.

In July of 1977, Congress passed, and President Carter signed, legislation prohibiting the States of Virginia and Maryland, or the District of Columbia, from imposing an income tax against Members of Congress who maintain homes in those jurisdictions.

Additionally, with the Amtrak Reauthorization and Improvement Act of 1990, Congress granted tax immunity to employees of interstate railway, aviation, and motor carriers from paying State income taxes to any State other than an employee's State of residence.

It is time for Congress, once again, to utilize its authority under the Commerce Clause to prohibit the imposition of income taxes by States on nonresidents. It is my view that interstate trade in labor is important commerce that deserves to be treated fairly.

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. 479

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 "Nonresident Income Tax Freedom Act of 2005".

SEC. 2. PROHIBITION ON IMPOSITION OF INCOME TAXES BY STATES ON NON-RESIDENTS.

(a) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following new section:

"§ 127. Prohibition on imposition of income taxes by states on nonresidents

"Except to the extent otherwise provided in any voluntary compact between or among States, a State or political subdivision thereof may not impose a tax on income earned within such State or political subdivision by nonresidents of such State."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following new item:

"127. Prohibition on imposition of income taxes by States on non-residents."

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

By Mr. CONRAD (for himself and Mr. DORGAN):

S. 482. A bill to provide environmental assistance to non-Federal interests in the State of North Dakota; to the Committee on Environment and Public Works.

Mr. CONRAD. Mr. President, I am introducing the Water Infrastructure Revitalization Act, which authorizes \$60 million through the U.S. Army Corps of Engineers to assist communities in North Dakota with water supply and treatment projects.

Imagine if you went to turn on your kitchen faucet one day and no water came out. This scenario became true for thousands in the communities of Fort Yates, Cannonball, and Porcupine just days before Thanksgiving in 2003. The loss of drinking water forced the closure of schools, the hospital and tribal offices for days. About 170 miles upstream, the community of Parshall faces similar water supply challenges as the water level on Lake Sakakawea continues to drop, leaving its intake high and dry. These and other communities in the State have faced significant expenditures in extending their intakes to ensure a continued supply of water. In addition, the city of Mandan faces the prospect of constructing a new horizontal well intake because changes in sediment load and flow as a result of the backwater effects of the Oahe Reservoir have caused significant siltation problems that restrict flow into the intake. These examples barely scratch the surface of the problems faced by many North Dakota communities in maintaining a safe, reliable water supply.

Since 1999, the Corps of Engineers has been authorized to design and construct water-related infrastructure projects in several different States including Wisconsin, Minnesota, and

Montana. The State of North Dakota confronts water infrastructure challenges that are just as difficult as those in these other States. In fact, many of these challenges are caused directly by the Corps of Engineers' operations of the Missouri River dams. As a result, it is only appropriate that the Corps be part of the solution to North Dakota's water needs.

The Water Infrastructure Revitalization Act would provide important supplemental funding to assist North Dakota communities with water-related infrastructure repairs. Under the Act, communities could use the funding for wastewater treatment, water supply facilities, environmental restoration and surface water resource protection. Projects would be cost shared, with 75 percent Federal funding and 25 percent non-federal in most instances. However, the bill reduces the financial burden on local communities if necessary to ensure that water rates do not exceed the national affordability criteria developed by the Environmental Protection Agency.

This bill is not intended to compete with or take away funds for the construction of rural water projects under the Dakota Water Resources Act. Instead, it is meant to provide important supplemental funding for communities that are not able to receive funding from the Dakota Water Resources Act. I am pleased that the North Dakota Rural Water Systems Association has recognized the need for additional water project funding and endorsed this bill. It is my hope that this authorization will be included as part of the Water Resources Development Act that will be considered this year.

By Mr. CORNYN:

S. 483. A bill to strengthen religious liberty and combat government hostility to expressions of faith, by extending the research of The Equal Access Act to elementary schools; to the Committee on Health, Education, Labor, and Pensions.

Mr. CORNYN. Mr. President, I rise to introduce legislation to expand the scope of the Equal Access Act, which Congress enacted in 1984 to guarantee equal access for religious and other organizations to the facilities of public secondary schools that receive Federal funding.

Tomorrow morning, the Supreme Court of the United States will hear oral argument in two cases involving the right of State and local governments to erect a public display of the Ten Commandments. One of those cases, *Van Orden v. Perry*, involves the public display at the State capitol grounds of my home State, the great State of Texas. The other case, *McCreary County v. ACLU*, arises out of the State of Kentucky.

These two cases are reminiscent of the Supreme Court's consideration last year of the Pledge of Allegiance—which contains the words "under god"—in the matter of *Elk Grove Unified School District v. Newdow*. The

Court rejected the challenge to the Pledge of Allegiance in that case, but strictly on procedural grounds. So the Pledge of Allegiance, like the Ten Commandments, remains under attack and under danger of forced removal from our public square by judicial fiat.

We examined these issues at a hearing of the Senate Judiciary Subcommittee on the Constitution, Civil Rights, and Property Rights I chaired on June 8, 2004. The hearing was entitled "Beyond the Pledge of Allegiance: Hostility to Religious Expression in the Public Square."

That hearing was important, because it reminded us of an even broader, more systemic problem caused by the Supreme Court's previous rulings, than just these disturbing attacks on the Pledge of Allegiance and the Ten Commandments—an unjustifiable hostility to religious expression in public squares across America.

Just as there is bipartisan agreement on the constitutionality of the Pledge of Allegiance, so should there be bipartisan agreement that government should never be hostile to expressions of faith. As President Ronald Reagan stated in 1983: "When our founding Fathers passed the First Amendment, they sought to protect churches from government interference. They never intended to construct a wall of hostility between government and the concept of religious belief itself." And as President Clinton noted in 1995: "Americans feel that instead of celebrating their love for God in public, they're being forced to hide their faith behind closed doors. That's wrong. Americans should never have to hide their faith, but some Americans have been denied the right to express their religion and that has to stop. That has happened and it has to stop."

At the hearing, we heard from citizen witnesses and legal experts alike, who recounted example after example after example of government discrimination against religious expression generally—including both discrimination against religious versus non-religious expression in government speech, as well as discrimination against purely private expressions of faith. Just consider this sample of incidents throughout the Nation—incidents of hostility to religious expression in the public square:

A 12-year-old elementary school student was reprimanded by a public school in St. Louis, MO for quietly saying a prayer before lunch in the school cafeteria, according to a federal lawsuit. The case was settled after the St. Louis School Board announced a new policy protecting the religious expression rights of students. St. Louis Post-dispatch, July 11, 1996.

A second grade school girl in Wisconsin was forbidden from distributing valentines during a Valentine's Day Exchange because her valentines happened to contain religious themes. After a Federal lawsuit was filed, the school district settled the suit by pub-

lishing an apology to the student in the Milwaukee Journal Sentinel and issuing a new policy protecting the religious freedoms of its students. Capital Times, Madison, August 29, 2001.

A kindergartener in Dayton, OH was forbidden by her public school teacher from distributing bags of jellybeans with an attached prayer to her classmates, according to a Federal lawsuit. Associated Press, February 8, 2004.

Public high school students in Massachusetts started a Bible club and tried to hand out candy canes with a Biblical passage attached. The school suspended the students for distributing the candy canes. A federal district court issued a temporary injunction against the school. Westfield High Sch. L.I.F.E. Club v. City of Westfield, 249 F. Supp. 2d 98 D. Mass. 2003.

A public school sixth grader in Boulder, CO tried to complete her book report assignment by presenting the Bible, but was forbidden from doing so by her teacher. She was also forbidden from bringing the Bible to school. Only after a lawsuit was threatened did the school eventually back down. Denver Post, December 13, 2002.

According to a Federal lawsuit, a public school teacher at Lynn Lucas Middle School in Houston, TX, punished two sisters for carrying Bibles, confiscated and threw the Bibles into the trash, and threatened to call Child Protective Services, while another teacher forbade a third student from reading the Bible during free reading time and forced him to remove a Ten Commandments book cover from another book. The suit was ultimately resolved out of court. Houston Chronicle, May 24, 2000.

As explained in her Senate testimony, Nashala Hearn, a 12-year-old girl in Muskogee, OK, was suspended for three days by her public middle school for wearing a hijab, a headscarf required by her Islamic faith. The school eventually backed down after intervention by the Justice Department. Senate Judiciary Subcommittee on the Constitution, Civil Rights and Property Rights, June 8, 2004.

A Texas school district refused to hire a public school teacher for the position of assistant principal, because her children attended a private Christian school, in violation of the district's policy that the children of all principals and administrators attend public school. The district's policy was upheld by the Federal district court but subsequently rejected on appeal. Barrow V. Greenville Ind. Sch. Dist., 332 F.3d 844 5th Cir. 2003.

A Vietnam veteran and member of an honor guard at a New Jersey veterans' cemetery was fired for saying "God bless you and this family" to the family of a deceased veteran, even though the family had consented to the blessing beforehand. Winston-Salem Journal, April 26, 2003.

A public library employee in Logan County, KY, was fired for refusing to remove her cross-pendant necklace

while at work. A Federal district court subsequently ruled that the library violated her constitutional rights. American Libraries, October 1, 2003.

According to another federal lawsuit, an employee of the Minnesota State Department of Revenue is barred from parking his car in the employee parking lot, because his car displays religious messages such as "God is a loving and caring God." Other employees are allowed to display nonreligious messages on their cars. The employee is similarly barred from displaying religious messages in his office cubicle, even though other employees are allowed to display nonreligious messages in their cubicles. Star-Tribune (Minneapolis), July 2, 2004.

As he explained in his Senate testimony, Barney Clark and other members of the Balch Springs Senior Center in Balch Springs, Texas, were forbidden from singing religious songs and appointing someone to bless their food at the city-owned senior center. The city eventually backed down, but only after a federal lawsuit and intervention by the Justice Department. Senate Judiciary Subcommittee on the Constitution, Civil Rights and Property Rights, June 8, 2004.

I'm grateful to the Liberty Legal Institute, which has been an active champion of religious liberty, and which followed up on their testimony at the hearing last year by filing a 51-page report with the subcommittee last October. The Institute's report documented additional cases of hostility to religion in the public square, and noted the existence of a nationwide campaign to remove religious expressions from the public square—namely, liberal organizations in Washington that actively litigate against equal access for religious organizations in public schools, against school choice programs that give needy students equal access to parochial and nonsectarian schools alike, and against voluntary, student-led religious expression.

Thankfully, and despite the efforts of these organizations, we are starting to win the battle for religious liberty and against hostility to religious expression. The Court has upheld equal access for religious organizations on a number of recent occasions—albeit frequently by narrow, 5-4 majorities—including cases like *Rosenberger*, *Good News Club*, *Zelman*, and *Mitchell*. And thankfully, the Equal Access Act of 1984 has been affirmed, upheld, and enforced.

But the Equal Access Act applies only to postsecondary schools. It is time that equal access be extended to elementary schools as well, and that is why I introduce this legislation today. I know that Senators will be following closely the Supreme Court's consideration of the Ten Commandments cases and the people's right to display our nation's most revered documents in public squares across America. Regardless of the outcome of those cases, I hope that Senators will also support

this effort to extend equal access to all of our nation's public schools.

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. 483

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

SECTION 1. EQUAL ACCESS FOR ELEMENTARY SCHOOLS.

The Equal Access Act (20 U.S.C. 4071 et seq.) is amended—

(1) in section 802—

(A) in subsection (a), by inserting “elementary school or” after “public”; and

(B) in subsection (b), by inserting “elementary school or” after “public”; and

(2) in section 803, by adding at the end the following:

“(5) The term ‘elementary school’ means a public school that provides elementary education as determined by State law.”.

By Mr. WARNER (for himself and Ms. COLLINS):

S. 484. A bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums; to the Committee on Finance.

Mr. WARNER. Mr. President, today I am introducing legislation to provide some relief for our nation's retired Federal employees from the severe increases in Federal Employee Health Benefit Program (FEHBP) premiums. This measure extends premium conversion to Federal and military retirees, allowing them to pay their health insurance premiums with pre-tax dollars.

The increasing cost of health care is a critical issue, especially to retirees living on a fixed income. In 2005 premiums are expected to rise an average of 7.9 percent for the 8 million Federal employees, retirees and their families that are covered under the FEHBP. This legislation will help to ensure that more Federal and military retirees are able to continue their healthcare coverage with the FEHBP and supplemental TRICARE health insurance plans as premiums continue to rise.

In the fall of 2000 premium conversion became available to current Federal employees who participate in the Federal Employees Health Benefits Program. It is a benefit already available to many private sector employees. While premium conversion does not directly affect the amount of the FEHBP premium, it helps to offset some of the increase by reducing an individual's Federal tax liability.

Extending this benefit to Federal retirees requires a change in the tax law, specifically Section 125 of the Internal Revenue Code. This legislation makes the necessary change in the tax code.

Under the legislation, the benefit is concurrently afforded to our Nation's military retirees as well to assist with increasing health care costs.

A number of organizations representing Federal and military retirees

are strongly behind this initiative, including the National Association of Retired Federal Employees, the Military Coalition, the Fleet Reserve Association, and the Association of the U.S. Army.

My support for this legislation spans three Congresses. In the 108th Congress, my premium conversion bill received considerable bipartisan support with 57 cosponsors. It is my sincere hope that this legislation will be passed by Congress this session. I encourage my colleagues to join me in supporting this critical legislation and show their support for our Nation's dedicated Federal civilian and military retirees. 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. 484

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

SECTION 1. PRETAX PAYMENT OF HEALTH INSURANCE PREMIUMS BY FEDERAL CIVILIAN AND MILITARY RETIREES.

(a) IN GENERAL.—Subsection (g) of section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by adding at the end the following new paragraph:

“(5) HEALTH INSURANCE PREMIUMS OF FEDERAL CIVILIAN AND MILITARY RETIREES.—

“(A) FEHBP PREMIUMS.—Nothing in this section shall prevent the benefits of this section from being allowed to an annuitant, as defined in paragraph (3) of section 8901, title 5, United States Code, with respect to a choice between the annuity or compensation referred to in such paragraph and benefits under the health benefits program established by chapter 89 of such title 5.

“(B) TRICARE PREMIUMS.—Nothing in this section shall prevent the benefits of this section from being allowed to an individual receiving retired or retainer pay by reason of being a member or former member of the uniformed services of the United States with respect to a choice between such pay and benefits under the health benefits programs established by chapter 55 of title 10, United States Code.”.

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

SEC. 2. DEDUCTION FOR TRICARE SUPPLEMENTAL PREMIUMS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

“SEC. 224. TRICARE SUPPLEMENTAL PREMIUMS OR ENROLLMENT FEES.

“(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amounts paid during the taxable year by the taxpayer for insurance purchased as supplemental coverage to the health benefits programs established by chapter 55 of title 10, United States Code, for the taxpayer and the taxpayer's spouse and dependents.

“(b) COORDINATION WITH MEDICAL DEDUCTION.—Any amount allowed as a deduction under subsection (a) shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).”.

(b) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—

Subsection (a) of section 62 of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by redesignating paragraph (19) (as added by section 703(a) of the American Jobs Creation Act of 2004) as paragraph (20) and by inserting after paragraph (20) (as so redesignated) the following new paragraph:

“(21) TRICARE SUPPLEMENTAL PREMIUMS OR ENROLLMENT FEES.—The deduction allowed by section 224.”.

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

“Sec. 224. TRICARE supplemental premiums or enrollment fees.

“Sec. 225. Cross reference.”.

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

SEC. 3. IMPLEMENTATION.

(a) FEHBP PREMIUM CONVERSION OPTION FOR FEDERAL CIVILIAN RETIREES.—The Director of the Office of Personnel Management shall take such actions as the Director considers necessary so that the option made possible by section 125(g)(5)(A) of the Internal Revenue Code of 1986 shall be offered beginning with the first open enrollment period, afforded under section 8905(g)(1) of title 5, United States Code, which begins not less than 90 days after the date of the enactment of this Act.

(b) TRICARE PREMIUM CONVERSION OPTION FOR MILITARY RETIREES.—The Secretary of Defense, after consulting with the other administering Secretaries (as specified in section 1073 of title 10, United States Code), shall take such actions as the Secretary considers necessary so that the option made possible by section 125(g)(5)(B) of the Internal Revenue Code of 1986 shall be offered beginning with the first open enrollment period afforded under health benefits programs established under chapter 55 of such title, which begins not less than 90 days after the date of the enactment of this Act.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 486. A bill to require the Secretary of the Navy to procure helicopters under the VH-3D presidential helicopter fleet replacement program that are wholly manufactured in the United States; to the Committee on Armed Services.

Mr. LIEBERMAN. Mr. President, I rise today to introduce legislation with my colleague Senator DODD that requires that the helicopter fleet built for the President of the United States be made entirely in the United States by American workers using American parts.

This is how it has always been. And this is the way it should stay.

Since President Eisenhower first flew in 1957, American Presidents have logged more than a quarter of a million hours in American helicopters designated Marine One with an unblemished record of safety and performance.

But recently, the Navy chose a new helicopter to replace the current Presidential fleet that was designed overseas and will have substantial portions built overseas.

This model was chosen over another model that would have been wholly built in the United States. This decision is a blow to the pride of the American aviation industry and blows a hole in the wallet of American workers and taxpayers.

Let me make clear that with this bill we are not asking the Navy to pick a helicopter solely because it is American. The Presidential fleet must be made up of helicopters that offer superb performance and safety standards.

But when an American model meets those standards, as was the case with the bids for Marine One, common sense dictates that we "Buy American."

With this contract we are putting the American aviation industry at a long-term competitive disadvantage. The Marine One contract comes with millions of dollars in research money to develop new helicopter technologies. With the Navy's selection of a foreign competitor, these research dollars will now go overseas.

By subsidizing foreign aviation research—mostly in Europe, which already heavily subsidizes its aviation industry—we will be using American taxpayer dollars to make it harder for U.S. companies to stay competitive and compete in domestic and world markets.

With these kinds of disadvantages, we run the risk that we will become increasingly reliant on overseas suppliers of important military equipment, jeopardizing our national security.

Insisting that the American President fly in an American-made helicopter is not a unique or unusual consideration for a national leader.

The Prime Minister of Great Britain doesn't fly in an American helicopter, nor does the Prime Minister of Italy. They both fly in European helicopters. That's fine. They are supporting their workers, helping to sustain their industrial base, and sending a clear signal of national pride to their people.

We should do no less.

Let me stress, I am not seeking to exclude overseas companies from competing in U.S. markets or to exclude them from all military contracts. The United States has a long history of open markets and free and fair competition, and we should not back away from that.

But this is a unique case. We are talking about the most famous helicopter in the world. What message do we send when we outsource such a visible symbol of national pride to others? We send a message that "Built in America" is second-best.

This is just wrong.

American workers have been building and maintaining Presidential helicopters for over half a century. Their performance has been outstanding. We should not punish this service and dedication by using taxpayer dollars to send their jobs to someone else.

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. 486

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

SECTION 1. VH-3D PRESIDENTIAL HELICOPTER FLEET REPLACEMENT PROGRAM PROCUREMENT REQUIREMENT.

(a) IN GENERAL.—The Secretary of the Navy may not enter into a contract for the procurement of a helicopter under the VH-3D presidential helicopter fleet replacement program unless the contract requires the helicopter to be wholly manufactured in the United States from parts wholly manufactured in the United States.

(b) EXISTING CONTRACTS.—If a contract entered into after December 31, 2004, and before the date of the enactment of this section does not meet the requirements described in subsection (a), the Secretary of the Navy shall terminate such contract.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 486. A bill to establish a commercial truck highway safety demonstration program in the State of Maine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Ms. SNOWE. Mr. President, I rise today, along with my colleague Senator COLLINS, to introduce legislation, the Commercial Truck Highway Safety Demonstration Program Act, to create a safety pilot program for commercial trucks.

This bill would authorize a safety demonstration program in my home State of Maine that could be a model for other States. I have been working closely with the Maine Department of Transportation, communities in my State, and others to address statewide concerns about the existing Federal interstate truck weight limit of 80,000 pounds.

I believe that safety must be the No. 1 priority on our roads and highways, and I am very concerned that the existing interstate weight limit has the unintended impact of forcing commercial trucks onto State and local secondary roads that were never designed to safely handle such heavy commercial trucks. We are talking about narrow roads, lanes, and rotaries, with frequent pedestrian crossings and school zones.

I have been working to address this concern for many years. During the 105th Congress, for example, I authored a provision providing a waiver from Federal weight limits on the Maine Turnpike, the 100-mile section of Maine's interstate in the southern portion of the State, and it was signed into law as part of TEA-21. I have also shared my concerns with the Department of Transportation and the Senate Environment and Public Works Committee to urge them to work with me in an effort to address my concern with the safety of my constituents.

In addition, the Maine Department of Transportation has nearly concluded a study of the truck weight limit waiver

on the Maine Turnpike, and I have been working closely with the State in the hopes of expanding this study, in order to secure the data necessary to ensure that commercial trucks operate in the safest possible manner.

Federal law attempts to provide uniform truck weight limits, 80,000 pounds, on the Interstate System, but the fact is there are a myriad of exemptions and grandfathering provisions. Furthermore, interstate highways have safety features specifically designed for heavy truck traffic, whereas the narrow, winding State and local roads don't. In fact, lower weight limits only encourage more trucks to operate on these very roads, only heightening the wear and tear as well as increasing the potential danger to both drivers and pedestrians.

The legislation I am submitting today would simply direct the Secretary of Transportation to establish a 3-year pilot program to improve commercial motor vehicle safety in the State of Maine. Specifically, the measure would direct the Secretary, during this period, to waive Federal vehicle weight limitations on certain commercial vehicles weighing over 80,000 pounds using the Interstate System within Maine, permitting the State to set the weight limit. In addition, it would provide for the waiver to become permanent unless the Secretary determines it has resulted in an adverse impact on highway safety.

I believe this is a measured, responsible approach to a very serious public safety issue. I hope to work with all of those with a stake in this issue, safety advocates, truckers, States, and communities, to address this matter in the most effective possible way, and I hope that my colleagues will join me in this effort.

Ms. COLLINS. Mr. President, I rise to join with my senior colleague from Maine in sponsoring the Commercial Truck Highway Safety Demonstration Program Act, an important bill that addresses a significant safety problem in our State.

Under current law, trucks weighing 100,000 pounds are allowed to travel on Interstate 95 from Maine's border with New Hampshire to Augusta, our capital city. At Augusta, trucks are forced off Interstate 95, which proceeds north to Houlton. Heavy trucks are forced onto smaller, secondary roads that pass through cities, towns and villages.

Trucks weighing up to 100,000 pounds are permitted on interstate highways in New Hampshire, Massachusetts and New York as well as the Canadian provinces of New Brunswick and Quebec. The weight limit disparity on various segments of Maine's interstate highway system forces trucks traveling to and from destinations in these States and provinces to use Maine's State and local roads, nearly all of which have two lanes, rather than four. Consequently, many Maine communities along the interstate see substantially more truck traffic than would

otherwise be the case if the weight limit were 100,000 pounds for all of Maine's interstate highways.

The problem Maine faces due to the disparity in truck weight limits affects many communities and is clearly evident in the eastern Maine cities of Bangor and Brewer. In this region, a 2-mile stretch of Interstate 395 connects two major State highways that carry significant truck traffic across Maine. I-395 affords direct and safe access between these major corridors, but because of the existing Federal truck weight limit, many heavy trucks are prohibited from using this multi-lane, limited access highway.

Instead, these trucks, which sometimes carry hazardous materials, are required to maneuver through the downtown portions of Bangor and Brewer on two-lane roadways. Truckers are faced with two options; the first is a 3.5-mile diversion through downtown Bangor that requires several very difficult and dangerous turns. The second route is a 7.5-mile diversion that includes 20 traffic lights and requires travel through portions of downtown Bangor, as well. Congestion is a significant issue and safety is seriously compromised as a result of these required diversions.

A recent study, conducted by the Maine Department of Transportation, found that the accident rate between 2000 and 2003—per 100 million vehicle miles traveled—was more than four times higher on two-lane roads than on the Maine Turnpike, which had four lanes at the time of the study. A uniform truck weight limit of 100,000 pounds on Maine's interstate highways would reduce highway miles, as well as the travel times necessary to transport freight through Maine, resulting in safety, economic, and environmental benefits.

Moreover, Maine's extensive network and local roads would be better preserved without the wear and tear of heavy truck traffic. Most important, however, a uniform truck weight limit will keep trucks on the interstate where they belong, rather than on roads and highways that pass through Maine's cities, towns, and neighborhoods.

The legislation that Senator SNOWE and I are introducing addresses the safety issues we face in Maine because of the disparities in truck weight limits. The legislation directs the Secretary of Transportation to establish a commercial truck safety pilot program in Maine. Under the pilot program, the truck weight limit on all Maine highways that are part of the Interstate Highway System would be set at 100,000 pounds for 3 years. During the waiver period, the Secretary would study the impact of the pilot program on safety and would receive the input of a panel on which State officials, and representatives from safety organizations, municipalities, and the commercial trucking industry would serve. The waiver would become permanent if the panel

determined that motorists were safer as a result of a uniform truck weight limit on Maine's interstate highway system.

Maine's citizens and motorists are needlessly at risk because too many heavy trucks are forced off the interstate and onto local roads. The legislation Senator SNOWE and I are introducing is a commonsense approach to a significant safety problem in my State. I hope my colleagues will support passage of this important legislation.

By Mr. ALEXANDER (for himself, Mr. KYL, and Mr. CORNYN):

S. 489. A bill to amend chapter 111 of title 28, United States Code, to limit the duration of Federal consent decrees to which State and local governments are a party, and for other purposes; to the Committee on the Judiciary.

Mr. ALEXANDER. 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. 489

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 "Federal Consent Decree Fairness Act".

SEC. 2. FINDINGS.

Congress finds that:

(1) Consent decrees are for remedying violations of rights, and they should not be used to advance any policy extraneous to the protection of those rights.

(2) Consent decrees are also for protecting the party who faces injury and should not be expanded to apply to parties not involved in the litigation.

(3) In structuring consent decrees, courts should take into account the interests of State and local governments in managing their own affairs.

(4) Consent decrees should be structured to give due deference to the policy judgments of State and local officials as to how to obey the law.

(5) Whenever possible, courts should not impose consent decrees that require technically complex and evolving policy choices, especially in the absence of judicially discoverable and manageable standards.

(6) Consent decrees should not be unlimited, but should contain an explicit and realistic strategy for ending court supervision.

SEC. 3. LIMITATION ON CONSENT DECREES.

(a) IN GENERAL.—Chapter 111 of title 28, United States Code, is amended by adding at the end the following:

"§ 1660. Consent decrees

"(a) DEFINITIONS.—In this section:

"(1) The term 'consent decree'—

"(A) means any final order imposing injunctive relief against a State or local government or a State or local official sued in their official capacity entered by a court of the United States that is based in whole or part upon the consent or acquiescence of the parties;

"(B) does not include private settlements; and

"(C) does not include any final order entered by a court of the United States to implement a plan to end segregation of students or faculty on the basis of race, color, or national origin in elementary schools, secondary schools, or institutions of higher education.

"(2) The term 'special master' means any person, regardless of title or description given by the court, who is appointed by a court of the United States under rule 53 of the Federal Rules of Civil Procedure, rule 48 of the Federal Rules of Appellate Procedure, or similar Federal law.

"(b) LIMITATION ON DURATION.—

"(1) IN GENERAL.—A State or local government or a State or local official, or their successor, sued in their official capacity may file a motion under this section with the court that entered a consent decree to modify or vacate the consent decree upon the earlier of—

"(A) 4 years after a consent decree is originally entered by a court of the United States, regardless if the consent decree has been modified or reentered during that period; or

"(B) in the case of a civil action in which—

"(i) a State is a party (including an action in which a local government is also a party), the expiration of the term of office of the highest elected State official who authorized the consent of the State in the consent decree; or

"(ii) a local government is a party and the State encompassing the local government is not a party, the expiration of the term of office of the highest elected local government official who authorized the consent of the local government to the consent decree.

"(2) BURDEN OF PROOF.—With respect to any motion filed under paragraph (1), the burden of proof shall be on the party who originally filed the civil action to demonstrate that the continued enforcement of a consent decree is necessary to uphold a Federal right.

"(3) RULING ON MOTION.—Not later than 90 days after the filing of a motion under this subsection, the court shall rule on the motion.

"(4) EFFECT PENDING RULING.—If the court has not ruled on the motion to modify or vacate the consent decree during the 90-day period described under paragraph (3), the consent decree shall have no force or effect for the period beginning on the date following that 90-day period through the date on which the court enters a ruling on the motion.

"(c) SPECIAL MASTERS.—

"(1) COMPENSATION.—The compensation to be allowed to a special master overseeing any consent decree under this section shall be based on an hourly rate not greater than the hourly rate established under section 3006A of title 18, for payment of court-appointed counsel, plus costs reasonably incurred by the special master.

"(2) TERMINATION.—In no event shall the appointment of a special master extend beyond the termination of the relief granted in the consent decree."

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 111 of title 28, United States Code, is amended by adding at the end the following:

"§ 1660. Consent decrees."

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of enactment of this Act and apply to all consent decrees regardless of—

(1) the date on which the final order of a consent decree is entered; or

(2) whether any relief has been obtained under a consent decree before the date of enactment of this Act.

AMENDMENTS SUBMITTED AND PROPOSED

SA 15. Mr. AKAKA (for himself, Mr. DURBIN, Mr. LEAHY, and Mr. SARBANES) submitted an amendment intended to be proposed by him to the bill S. 256, to amend

title 11 of the United States Code, and for other purposes.

SA 16. Mr. DURBIN (for himself, Ms. STABENOW, Mr. BAYH, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. SCHUMER, Ms. CANTWELL, Mr. NELSON, of Florida, Mr. KENNEDY, Mr. KERRY, Mrs. CLINTON, and Ms. MIKULSKI) proposed an amendment to the bill S. 256, *supra*.

SA 17. Mr. FEINGOLD proposed an amendment to the bill S. 256, *supra*.

SA 18. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 19. Mrs. FEINSTEIN (for herself and Mr. KYL) submitted an amendment intended to be proposed by her to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 20. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 21. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 22. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 23. Mr. SESSIONS proposed an amendment to the bill S. 256, *supra*.

SA 24. Mr. ROCKEFELLER (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 25. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

SA 26. Mr. LEAHY (for himself, Ms. SNOWE, and Ms. CANTWELL) proposed an amendment to the bill S. 256, *supra*.

SA 27. Mr. CHAFEE (for himself and Mr. REED) submitted an amendment intended to be proposed by him to the bill S. 256, *supra*; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 15. Mr. AKAKA (for himself, Mr. DURBIN, Mr. LEAHY, and Mr. SARBANES) submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; as follows:

On page 473, strike beginning with line 12 through page 482, line 24, and insert the following:

SEC. 1301. ENHANCED CONSUMER DISCLOSURES REGARDING MINIMUM PAYMENTS.

(a) DISCLOSURES REGARDING OUTSTANDING BALANCES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

“(11)(A) Information regarding repayment of the outstanding balance of the consumer under the account, appearing in conspicuous type on the front of the first page of each such billing statement, and accompanied by an appropriate explanation, containing—

“(i) the words ‘Minimum Payment Warning: Making only the minimum payment will increase the amount of interest that you pay and the time it will take to repay your outstanding balance.’;

“(ii) the number of years and months (rounded to the nearest month) that it would take for the consumer to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments;

“(iii) the total cost to the consumer, shown as the sum of all principal and inter-

est payments, and a breakdown of the total costs in interest and principal, of paying that balance in full if the consumer pays only the required minimum monthly payments, and if no further advances are made;

“(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made; and

“(v) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

“(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made.

“(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision specifying a subsequent interest rate or applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then shall apply the adjusted interest rate, as specified in the contract. If the contract applies a formula that uses an index that varies over time, the value of such index on the date on which the disclosure is made shall be used in the application of the formula.”.

(b) ACCESS TO CREDIT COUNSELING AND DEBT MANAGEMENT INFORMATION.—

(1) GUIDELINES REQUIRED.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System and the Federal Trade Commission (in this section referred to as the “Board” and the “Commission”, respectively) shall jointly, by rule, regulation, or order, issue guidelines for the establishment and maintenance by creditors of a toll-free telephone number for purposes of the disclosures required under section 127(b)(11) of the Truth in Lending Act, as added by this Act.

(B) APPROVED AGENCIES.—Guidelines issued under this subsection shall ensure that referrals provided by the toll-free number include only those agencies approved by the Board and the Commission as meeting the criteria under this section.

(2) CRITERIA.—The Board and the Commission shall only approve a nonprofit budget and credit counseling agency for purposes of this section that—

(A) demonstrates that it will provide qualified counselors, maintain adequate provision for safekeeping and payment of client funds, provide adequate counseling with respect to client credit problems, and deal responsibly and effectively with other matters relating to the quality, effectiveness, and financial security of the services it provides;

(B) at a minimum—

(i) is registered as a nonprofit entity under section 501(c) of the Internal Revenue Code of 1986;

(ii) has a board of directors, the majority of the members of which—

(I) are not employed by such agency; and

(II) will not directly or indirectly benefit financially from the outcome of the counseling services provided by such agency;

(iii) if a fee is charged for counseling services, charges a reasonable and fair fee, and provides services without regard to ability to pay the fee;

(iv) provides for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

(v) provides full disclosures to clients, including funding sources, counselor qualifications, possible impact on credit reports, any

costs of such program that will be paid by the client, and how such costs will be paid;

(vi) provides adequate counseling with respect to the credit problems of the client, including an analysis of the current financial condition of the client, factors that caused such financial condition, and how such client can develop a plan to respond to the problems without incurring negative amortization of debt;

(vii) provides trained counselors who—

(I) receive no commissions or bonuses based on the outcome of the counseling services provided;

(II) have adequate experience; and

(III) have been adequately trained to provide counseling services to individuals in financial difficulty, including the matters described in subparagraph (F);

(viii) demonstrates adequate experience and background in providing credit counseling;

(ix) has adequate financial resources to provide continuing support services for budgeting plans over the life of any repayment plan; and

(x) is accredited by an independent, nationally recognized accrediting organization.

SA 16. Mr. DURBIN (for himself, Ms. STABENOW, Mr. BAYH, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. SCHUMER, Ms. CANTWELL, Mr. NELSON of Florida, Mr. KENNEDY, Mr. KERRY, Mrs. CLINTON, and Ms. MIKULSKI) proposed an amendment to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; as follows:

On page 13, between lines 13 and 14, insert the following:

“(D) Subparagraphs (A) through (C) shall not apply, and the court may not dismiss or convert a case based on any form of means testing, if—

“(i) the debtor or the debtor’s spouse is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(1)));

“(ii) the debtor or the debtor’s spouse is a veteran (as defined in section 101(2) of title 38, United States Code); or

“(iii) the debtor’s spouse dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 App. U.S.C. 511(2))).

On page 67, between lines 18 and 19, insert the following:

SEC. 206. DISALLOWANCE OF CLAIMS FILED ON HIGH-COST PAYDAY LOANS MADE TO SERVICEMEMBERS.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking “or” at the end;

(2) in paragraph (9), by striking the period at the end; and

(3) by adding at the end the following:

“(10) such claim results from an assignment (including a loan or an agreement to deposit military pay into a joint account from which another person may make withdrawals, except when the assignment is for the benefit of a spouse or dependent of the debtor) of the debtor’s right to receive—

“(A) military pay made in violation of section 701(c) of title 37; or

“(B) military pension or disability benefits made in violation of section 5301(a) of title 38; or

“(11) such claim is based on a debt of a servicemember or a dependent of a servicemember that—

“(A) is secured by, or conditioned upon—

“(i) a personal check held for future deposit; or

“(ii) electronic access to a bank account; or

“(B) requires the payment of interest, fees, or other charges that would cause the annual percentage rate (as defined by section 107 of the Truth in Lending Act (15 U.S.C. 1606)) on the obligation to exceed 36 percent.”.

(b) CONFORMING AMENDMENT.—Section 523 of title 11, United States Code, is amended by adding at the end the following:

“(f) Notwithstanding paragraphs (2), (4), and (6) of subsection (a), a debt is dischargeable in a case under this title if it is based on an assignment of the debtor’s right to receive—

“(1) military pay made in violation of section 701(c) of title 37; or

“(2) military pension or disability benefits made in violation of section 5301(a) of title 38.”.

On page 132, between lines 5 and 6, insert the following:

SEC. 234. PROTECTION OF SERVICEMEMBERS’ PROPERTY IN BANKRUPTCY.

(a) IN GENERAL.—Section 522(b) of title 11, United States Code, as amended by section 224, is further amended—

(1) in paragraph (1), as redesignated, by striking “either paragraph (2) or, in the alternative, paragraph (3) of this subsection” and inserting “paragraph (2), (3), or (4)”;

(2) by redesignating paragraph (4), as added by this Act, as paragraph (5); and

(3) by inserting after paragraph (3), as redesignated, the following:

“(4) If the debtor is a servicemember or the dependent of a servicemember, and the date of the filing of the petition is during, or not later than 1 year after, a period of military service by the servicemember, property listed in this paragraph is—

“(A) property that is specified under subsection (d), notwithstanding any State law that prohibits such exemptions; or

“(B) property that the debtor could have exempted if the debtor had been domiciled in the State of the debtor’s premilitary residence for a sufficient period to claim the exemptions allowed by that State.”.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (13A), as added by this Act, the following:

“(13B) ‘dependent’, with respect to a servicemember, means—

“(A) the servicemember’s spouse;

“(B) the servicemember’s child (as defined in section 101(4) of title 38); or

“(C) an individual for whom the servicemember provided more than 50 percent of the individual’s support during the 180-day period immediately before the petition;”.

(2) by inserting after paragraph (39A), as added by this Act, the following:

“(39B) ‘military service’ means—

“(A) in the case of a servicemember who is a member of the Army, Navy, Air Force, Marine Corps, or Coast Guard—

“(i) active duty (as defined in section 101(d)(1) of title 10); and

“(ii) in the case of a member of the National Guard of the United States, service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, for purposes of responding to a national emergency declared by the President and supported by Federal funds;

“(B) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service; and

“(C) any period during which a servicemember is absent from duty on account of sickness, wounds, leave, or other lawful cause;”.

(3) by inserting after paragraph (40B), as added by this Act, the following:

“(40C) ‘period of military service’ means the period beginning on the date on which a servicemember enters military service and ending on the date on which the servicemember—

“(A) is released from military service; or

“(B) dies while in military service;”;

(4) by inserting after paragraph (51D), as added by this Act, the following:

“(51E) ‘servicemember’ means a member of the uniformed services (as defined in section 101(a)(5) of title 10);”.

On page 191, between lines 11 and 12, insert the following:

SEC. 322A. EXEMPTION FOR SERVICEMEMBERS.

Section 522 of title 11, United States Code, as amended by sections 224, 308, and 322, is further amended by adding at the end the following:

“(r) If the debtor or the spouse of the debtor is a servicemember (as defined in section 101 of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(1))) or a veteran (as defined in section 101(2) of title 38, United States Code) or the spouse of the debtor dies while in military service (as defined in section 101(2) of the Servicemembers Civil Relief Act (50 U.S.C. App. 511(2))), and the debtor or the spouse of the debtor elects to exempt property—

“(1) under subsection (b)(2), the debtor may, in lieu of the exemption provided under subsection (d)(1), exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in—

“(A) real property or personal property that the debtor or a dependent of the debtor uses as a residence;

“(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

“(C) a burial plot for the debtor or a dependent of the debtor; or

“(2) under subsection (b)(3), and the exemption provided under applicable law that may be applied to such property is for less than \$75,000 in value, the debtor may, in lieu of such exemption, exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in any property described in subparagraph (A), (B), or (C) of paragraph (1).”.

SA 17. Mr. FEINGOLD proposed an amendment to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; as follows:

On page 191, between lines 11 and 12, insert the following:

SEC. 322A. EXEMPTION FOR THE ELDERLY.

Section 522 of title 11, United States Code, as amended by sections 224, 308, and 322, is amended by adding at the end the following:

“(r) For a debtor whose age is 62 or older on the date of the filing of the petition, if the debtor elects to exempt property—

“(1) under subsection (b)(2), then in lieu of the exemption provided under subsection (d)(1), the debtor may elect to exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence, or in a burial plot for the debtor or a dependent of the debtor; or

“(2) under subsection (b)(3), then if the exemption provided under applicable law that may be applied to such property is for less than \$75,000 in value, the debtor may elect in lieu of such exemption to exempt the debtor’s aggregate interest, not to exceed \$75,000 in value, in any such real or personal property, cooperative, or burial plot.”.

SA 18. Mrs. FEINSTEIN submitted an amendment intended to be proposed by

her to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 13, between lines 7 and 8, insert the following:

“(v) In addition to the other grounds by which the presumption of abuse may be rebutted under this subparagraph, the debtor may rebut the presumption of abuse by showing catastrophic financial hardship caused by illness, resulting in substantial unreimbursed expenses for necessary medical care, that burdens the debtor to such an extent that the debtor is unable to repay the medical debt over the debtor’s lifetime, in the judgement of the court. If the debtor rebuts the presumption of abuse under this clause, the bankruptcy judge shall not dismiss or convert the case to a proceeding under chapter 13 of this title.

SA 19. Mrs. FEINSTEIN (for herself and Mr. KYL) submitted an amendment intended to be proposed by her to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 473, strike line 14 and all that follows through page 482, line 24, and insert the following:

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

“(11) ENHANCED DISCLOSURE UNDER AN OPEN END CREDIT PLAN.—

“(A) IN GENERAL.—A credit card issuer shall provide, with each billing statement provided to a cardholder in a State, the following on the front of the first page of the billing statement in type no smaller than that required for any other required disclosure, but in no case in less than 8-point capitalized type:

“(i) A written statement in the following form: ‘Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance.’.

“(ii) Either of the following:

“(I) A written statement in the form of and containing the information described in item (aa) or (bb), as applicable, as follows:

“(aa) A written 3-line statement, as follows: ‘A one thousand dollar (\$1,000) balance will take 17 years and 3 months to pay off at a total cost of two thousand five hundred ninety dollars and thirty-five cents (\$2,590.35). A two thousand five hundred dollar (\$2,500) balance will take 30 years and 3 months to pay off at a total cost of seven thousand seven hundred thirty-three dollars and forty-nine cents (\$7,733.49). A five thousand dollar (\$5,000) balance will take 40 years and 2 months to pay off at a total cost of sixteen thousand three hundred five dollars and thirty-four cents (\$16,305.34). This information is based on an annual percentage rate of 17 percent and a minimum payment of 2 percent or ten dollars (\$10), whichever is greater.’. In the alternative, a credit card issuer may provide this information for the 3 specified amounts at the annual percentage rate and required minimum payment that are applicable to the cardholder’s account. The statement provided shall be immediately preceded by the statement required by clause (i).

“(bb) Instead of the information required by item (aa), retail credit card issuers shall provide a written 3-line statement to read, as follows: ‘A two hundred fifty dollar (\$250) balance will take 2 years and 8 months to pay off a total cost of three hundred twenty-five dollars and twenty-four cents (\$325.24). A

five hundred dollar (\$500) balance will take 4 years and 5 months to pay off at a total cost of seven hundred nine dollars and ninety cents (\$709.90). A seven hundred fifty dollar (\$750) balance will take 5 years and 5 months to pay off at a total cost of one thousand ninety-four dollars and forty-nine cents (\$1,094.49). This information is based on an annual percentage rate of 21 percent and a minimum payment of 5 percent or ten dollars (\$10), whichever is greater. In the alternative, a retail credit card issuer may provide this information for the 3 specified amounts at the annual percentage rate and required minimum payment that are applicable to the cardholder's account. The statement provided shall be immediately preceded by the statement required by clause (i). A retail credit card issuer is not required to provide this statement if the cardholder has a balance of less than five hundred dollars (\$500).

“(II) A written statement providing individualized information indicating an estimate of the number of years and months and the approximate total cost to pay off the entire balance due on an open-end credit card account if the cardholder were to pay only the minimum amount due on the open-ended account based upon the terms of the credit agreement. For purposes of this subclause only, if the account is subject to a variable rate, the creditor may make disclosures based on the rate for the entire balance as of the date of the disclosure and indicate that the rate may vary. In addition, the cardholder shall be provided with referrals or, in the alternative, with the ‘800’ telephone number of the National Foundation for Credit Counseling through which the cardholder can be referred, to credit counseling services in, or closest to, the cardholder's county of residence. The credit counseling service shall be in good standing with the National Foundation for Credit Counseling or accredited by the Council on Accreditation for Children and Family Services. The creditor is required to provide, or continue to provide, the information required by this clause only if the cardholder has not paid more than the minimum payment for 6 consecutive months, beginning after January 1, 2005.

“(iii)(I) A written statement in the following form: ‘For an estimate of the time it would take to repay your balance, making only minimum payments, and the total amount of those payments, call this toll-free telephone number: (Insert toll-free telephone number)’. This statement shall be provided immediately following the statement required by clause (ii)(I). A credit card issuer is not required to provide this statement if the disclosure required by clause (ii)(II) has been provided.

“(II) The toll-free telephone number shall be available between the hours of 8 a.m. and 9 p.m., 7 days a week, and shall provide consumers with the opportunity to speak with a person, rather than a recording, from whom the information described in subclause (I) may be obtained.

“(III) The Federal Trade Commission shall establish not later than 1 month after the date of enactment of this paragraph a detailed table illustrating the approximate number of months that it would take and the approximate total cost to repay an outstanding balance if the consumer pays only the required minimum monthly payments and if no other additional charges or fees are incurred on the account, such as additional extension of credit, voluntary credit insurance, late fees, or dishonored check fees by assuming all of the following:

“(aa) A significant number of different annual percentage rates.

“(bb) A significant number of different account balances, with the difference between

sequential examples of balances being no greater than \$100.

“(cc) A significant number of different minimum payment amounts.

“(dd) That only minimum monthly payments are made and no additional charges or fees are incurred on the account, such as additional extensions of credit, voluntary credit insurance, late fees, or dishonored check fees.

“(IV) A creditor that receives a request for information described in subclause (I) from a cardholder through the toll-free telephone number disclosed under subclause (I), or who is required to provide the information required by clause (ii)(II), may satisfy the creditor's obligation to disclose an estimate of the time it would take and the approximate total cost to repay the cardholder's balance by disclosing only the information set forth in the table described in subclause (III). Including the full chart along with a billing statement does not satisfy the obligation under this paragraph.

“(B) DEFINITIONS.—In this paragraph:

“(i) OPEN-END CREDIT CARD ACCOUNT.—The term ‘open-end credit card account’ means an account in which consumer credit is granted by a creditor under a plan in which the creditor reasonably contemplates repeated transactions, the creditor may impose a finance charge from time to time on an unpaid balance, and the amount of credit that may be extended to the consumer during the term of the plan is generally made available to the extent that any outstanding balance is repaid and up to any limit set by the creditor.

“(ii) RETAIL CREDIT CARD.—The term ‘retail credit card’ means a credit card that is issued by or on behalf of a retailer, or a private label credit card, that is limited to customers of a specific retailer.

“(C) EXEMPTIONS.—

“(i) MINIMUM PAYMENT OF NOT LESS THAN TEN PERCENT.—This paragraph shall not apply in any billing cycle in which the account agreement requires a minimum payment of not less than 10 percent of the outstanding balance.

“(ii) NO FINANCE CHARGES.—This paragraph shall not apply in any billing cycle in which finance charges are not imposed.”.

SA 20. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, between lines 2 and 3, insert the following:

“(VI) In addition, the debtor's monthly expenses shall include the actual, reasonable expenses for operation of transportation and for public transportation, including costs for fuel, maintenance, automobile insurance, and public transportation, to the extent that the actual costs exceed the Local Standards issued by the Internal Revenue Service for operating and public transportation costs.

“(VII) In addition, if a debtor owns a home, the debtor's monthly expenses shall include the actual, reasonable expenses for home maintenance, including costs for repairs, maintenance, taxes, and home insurance. In the case of a debtor who does not own a home, such expenses shall be included to the extent that such expenses cause the debtor's housing expenses to exceed the amounts permitted under the Local Standards issued by the Internal Revenue Service for housing.

“(VIII) In addition, if the debtor owns a motor vehicle for which no secured debt payments are scheduled, or for which secured debt payments are scheduled for less than 60 months, the debtor's monthly expenses shall

include the monthly ownership costs permitted by the Internal Revenue Service for the number of months in which no secured debt payment on the vehicle is scheduled, divided by 60. Such additional ownership costs shall be included for each vehicle for which the debtor would be permitted ownership costs under the Internal Revenue Service National Standards.

SA 21. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, between lines 2 and 3, insert the following:

“(VI) In addition, the debtor's monthly expenses shall include the reasonably necessary monthly expenses incurred by a debtor who is eligible to receive or is receiving payments under State unemployment insurance laws, the Federal dislocated workers assistance programs under title III of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the successor Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.), the trade adjustment assistance programs provided for under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), or State assistance programs for displaced or dislocated workers and incurred for the purpose of obtaining and maintaining employment.

SA 22. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 19, line 8, strike “(receive)” and insert “(receive) reduced by an amount, if any, that is equal to the amount of child support payments that the debtor's spouse owed to the debtor for such month, but did not pay,”.

SA 23. Mr. SESSIONS proposed an amendment to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; as follows:

On page 12, line 10, insert after “special circumstances” the following: “, such as a serious medical condition or a call or order to active duty in the Armed Forces, to the extent such special circumstances”.

On page 18, line 4, insert after “debtor” the following: “, including a veteran (as that term is defined in section 101 of title 38),”.

SA 24. Mr. ROCKEFELLER (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 498, strike line 20 and all that follows through page 499, line 2, and insert the following:

SEC. 1401. EMPLOYEE WAGE AND BENEFIT PRIORITIES.

Section 507(a) of title 11, United States Code, as amended by section 212, is amended—

(1) in paragraph (4)—

(A) by striking “within 90 days”; and

(B) by striking “but only to the extent” and all that follows through “each individual or corporation” and inserting “but only to the extent of \$15,000 for each individual or corporation”; and

(2) in paragraph (5)(B)(i), by striking “multiplied by” and all that follows through “;

less" and inserting "multiplied by \$15,000; less".

SEC. 1401A. PAYMENT OF INSURANCE BENEFITS OF RETIREES.

(a) IN GENERAL.—Section 1114(j) of title 11, United States Code, is amended to read as follows:

"(j)(1) No claim for retiree benefits shall be limited by section 502(b)(7).

"(2)(A) Each retiree whose benefits are modified pursuant to subsection (e)(1) or (g) shall have a claim in an amount equal to the value of the benefits lost as a result of such modification. Such claim shall be reduced by the amount paid by the debtor under subparagraph (B).

"(B)(i) In accordance with section 1129(a)(13)(B), the debtor shall pay the retiree with a claim under subparagraph (A) an amount equal to the cost of 18 months of premiums on behalf of the retiree and the dependents of the retiree under section 602(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(3)), which amount shall not exceed the amount of the claim under subparagraph (A).

"(ii) If a retiree under clause (i) is not eligible for continuation coverage (as defined in section 602 of the Employee Retirement Income Security Act of 1974), the Secretary of Labor shall determine the amount to be paid by the debtor to the retiree based on the 18-month cost of a comparable health insurance plan.

"(C) Any amount of the claim under subparagraph (A) that is not paid under subparagraph (B) shall be a general unsecured claim."

(b) CONFIRMATION OF PLAN.—Section 1129(a)(13) of title 11, United States Code, is amended to read as follows:

"(13) The plan provides—

"(A) for the continuation after its effective date of the payment of all retiree benefits (as defined in section 1114), at the level established pursuant to subsection (e)(1) or (g) of section 1114, at any time before the confirmation of the plan, for the duration of the period the debtor has obligated itself to provide such benefits; and

"(B) that the holder of a claim under section 1114(j)(2)(A) shall receive from the debtor, on the effective date of the plan, cash equal to the amount calculated under section 1114(j)(2)(B)."

(c) RULEMAKING.—The Secretary of Labor shall promulgate rules and regulations to carry out the amendments made by this section.

SA 25. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 473, between lines 9 and 10, insert the following:

SEC. 1236. PROTECTION OF COAL INDUSTRY HEALTH BENEFITS.

Section 9711(g) of the Internal Revenue Code of 1986 (relating to rules applicable to this part and part II) is amended by adding at the end the following new paragraph:

"(3) PROHIBITION ON TERMINATION AND MODIFICATION OF BENEFITS.—Except as provided in subsection (d), the benefits required to be provided by a last signatory operator under this chapter may not be terminated or modified by any court in a proceeding under title 11 of the United States Code or by agreement at any time when such operator is participating in such a proceeding."

SA 26. Mr. LEAHY (for himself, Ms. SNOWE, and Ms. CANTWELL) proposed an

amendment to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; as follows:

On page 132, between lines 5 and 6, insert the following:

SEC. 234. PROTECTION OF PERSONAL INFORMATION.

(a) RESTRICTION OF PUBLIC ACCESS TO CERTAIN INFORMATION CONTAINED IN BANKRUPTCY CASE FILES.—Section 107 of title 11, United States Code, is amended by striking subsection (b), and inserting the following:

"(b) On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, may, protect a person with respect to a trade secret or confidential research, development, or commercial information.

"(c) The bankruptcy court, for cause, may protect an individual, with respect to—

"(1) any means of identification (as defined in section 1028(d) of title 18) contained in a paper filed, or to be filed, in a case under this title; or

"(2) information contained in a paper described in paragraph (1) that could cause undue annoyance, embarrassment, oppression, or risk of injury to person or property."

(b) SECURITY OF SOCIAL SECURITY ACCOUNT NUMBER OF DEBTOR IN NOTICE TO CREDITOR.—Section 342(c) of title 11, United States Code, is amended—

(1) by inserting "last 4 digits of the" before "taxpayer identification number"; and

(2) by adding at the end the following: "If the notice concerns an amendment that adds a creditor to the schedules of assets and liabilities, the debtor shall include the full taxpayer identification number in the notice sent to that creditor, but the debtor shall include only the last 4 digits of the taxpayer identification number in the copy of the notice filed with the court."

SA 27. Mr. CHAFEE (for himself and Mr. REED) submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 196, line 14, insert ", other than redemptions under section 722 of this title," after "claim".

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the following hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing, entitled Power Generation Resource Incentives & Diversity Standards, will be held on Tuesday, March 8 at 2:30 p.m., in Room SD-366.

The purpose of the hearing is to receive testimony regarding ways to encourage the diversification of power generation resources. Issues to be discussed include: renewable portfolio standards (RPS) efforts among states and the cost and benefits of a federal RPS program. New approaches to promoting a variety of clean power resources, such as wind, solar, clean coal technology and nuclear power, will also be considered.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, SD-364 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please contact: Shane Perkins at 202-224-7555.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. CHAMBLISS. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will hold two hearings to consider the reauthorization of the Commodity Futures Trading Commission. The first hearing will be held on Tuesday, March 8, 2005, at 10 a.m., in SD-106, Dirksen Senate Office Building. The second hearing will be held on Thursday, March 10, 2005, at 10 a.m., in SR-328A, Russell Senate Office Building. Senator SAXBY CHAMBLISS will preside at both hearings.

For further information, please contact Robert Sturm at 202-224-2035.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 1, 2005, at 9:30 a.m., in open session to receive testimony from combatant commanders on their military strategy and operational requirements, in review of the defense authorization request for fiscal year 2005.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, March 1, 2005, at 2 p.m., to conduct a hearing on the nomination of Mr. Ronald A. Rosenfeld, of Oklahoma, to be a Director of the Federal Housing Finance Board.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 1, at 10 a.m., to receive testimony on the President's proposed budget for FY 2006 for the Department of the Interior.

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

COMMITTEE ON FINANCE

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to

meet during the session on Tuesday, March 1, 2005, at 2:15 p.m., to hear testimony on the financial status of PBGC and Administration's defined benefit plan funding proposal.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR,
AND PENSIONS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to hold a hearing during the session of the Senate on Tuesday, March 1, 2005, at 9:30 a.m., in SD-106.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, March 1, 2005, at 10 a.m., in Room 485 of the Russell Senate Office Building to conduct a hearing on S. 147, the Native Hawaiian Government Reorganization Act.

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

COMMITTEE ON THE JUDICIARY

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, March 1, 2005, at 9:30 a.m., on "Judicial Nominations." The hearing will take place in the Dirksen Senate Office Building Room 226. The tentative witness list will be provided when it is available.

Witness List

Panel I: Senators.

Panel II: William Myers, to be United States Circuit Judge for the Ninth Circuit Court of Appeals.

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

PRIVILEGE OF THE FLOOR

Mr. FEINGOLD. Mr. President, I ask unanimous consent that Chris Iavarone, a legal intern with my Judiciary Committee staff, be granted the privilege of the floor during consideration of the bankruptcy bill.

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

PERMITTING THE USE OF THE
ROTUNDA OF THE CAPITOL

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 79, which was received from the House.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 79) permitting the use of the rotunda of the Capitol for a ceremony to award a Congressional gold medal to Jackie Robinson (posthumously), in recognition of his many contributions to the Nation.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 79) was agreed to.

STAR PRINT—S. 12

Mr. MCCONNELL. Mr. President, I ask unanimous consent that S. 12 be star printed with the changes at the desk.

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

APPOINTMENT

The PRESIDING OFFICER. The chair, on behalf of the President pro tempore, and the recommendation of the majority leader, pursuant to 22 U.S.C 2761, as amended, appoints the Honorable THAD COCHRAN of Mississippi as chairman of the Senate delegation to the British American Inter-parliamentary Group conference during the 109th Congress.

ORDERS FOR WEDNESDAY, MARCH
2, 2005

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:15 a.m. tomorrow, Wednesday, March 2. I further ask consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate then proceed to a period of morning business for 60 minutes, with the first 30 minutes under the control of the Democratic leader or his designee and the second 30 minutes under the control of the majority leader or his designee, and that the Senate then resume consideration of S. 256, the Bankruptcy Reform Act; provided that there then be 2 minutes of debate equally divided prior to a vote in relation to the Feingold amendment No. 17, to be followed by 2 minutes of debate equally divided prior to a vote in relation to the Akaka amendment No. 15; provided further that no amendment be in order to either amendment prior to those votes.

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

PROGRAM

Mr. MCCONNELL. So tomorrow, Mr. President, the Senate will resume consideration of the bankruptcy bill. We made good progress on the bill today, disposing of two important amendments. There are three amendments

currently pending to the bill. Under the previous order, we will have stacked rollcall votes early tomorrow morning in order to dispose of two of those amendments. Those votes are expected to begin shortly after 10:30 in the morning. We expect to be able to continue with additional amendments and votes throughout Wednesday's session of the Senate.

ADJOURNMENT UNTIL 9:15 A.M.
TOMORROW

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

There being no objection, the Senate, at 7:03 p.m., adjourned until Wednesday, March 2, 2005, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate March 1, 2005:

THE JUDICIARY

BRIAN EDWARD SANDOVAL, OF NEVADA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEVADA, VICE HOWARD D. MCKIBBEN, RETIRED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COLONEL ROBERT R. ALLARDICE, 0000
COLONEL C. D. ALSTON, 0000
COLONEL THOMAS K. ANDERSEN, 0000
COLONEL BROOKS L. BASH, 0000
COLONEL MICHAEL J. BASLA, 0000
COLONEL FRANCIS M. BRUNO, 0000
COLONEL HERBERT J. CARLSLE, 0000
COLONEL GARY S. CONNOR, 0000
COLONEL CHARLES R. DAVIS, 0000
COLONEL DANIEL R. DINKINS, JR., 0000
COLONEL GREGORY A. FEEST, 0000
COLONEL FRANK GORNEC, 0000
COLONEL BLAIR E. HANSEN, 0000
COLONEL MARY K. HERTOG, 0000
COLONEL JIMMIE C. JACKSON, JR., 0000
COLONEL FRANK J. KISNER, 0000
COLONEL JAMES M. KOWALSKI, 0000
COLONEL DONALD LUSTIG, 0000
COLONEL CHRISTOPHER D. MILLER, 0000
COLONEL HAROLD W. MOULTON II, 0000
COLONEL JOSEPH F. MUDD, JR., 0000
COLONEL MARK H. OWEN, 0000
COLONEL ELLEN M. PAWLKOWSKI, 0000
COLONEL ROBIN RAND, 0000
COLONEL JOSEPH M. REHEISER, 0000
COLONEL JOSEPH REYNES, JR., 0000
COLONEL ALBERT F. RIGGLE, 0000
COLONEL PAUL G. SCHAFER, 0000
COLONEL STEPHEN D. SCHMIDT, 0000
COLONEL MARK S. SOLO, 0000
COLONEL JANET A. THERIANOS, 0000
COLONEL ROBERT YATES, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIGADIER GENERAL BYRON S. BAGBY, 0000
BRIGADIER GENERAL VINCENT E. BOLES, 0000
BRIGADIER GENERAL THOMAS P. BOSTICK, 0000
BRIGADIER GENERAL HOWARD B. BROMBERG, 0000
BRIGADIER GENERAL SEAN J. BYRNE, 0000
BRIGADIER GENERAL CHARLES A. CARTWRIGHT, 0000
BRIGADIER GENERAL THOMAS R. CSRNKO, 0000
BRIGADIER GENERAL JOHN DEFREITAS III, 0000
BRIGADIER GENERAL ROBERT E. DURBIN, 0000
BRIGADIER GENERAL DAVID A. FASTABEND, 0000
BRIGADIER GENERAL CHARLES W. FLETCHER, JR., 0000
BRIGADIER GENERAL DANIEL A. HAHN, 0000
BRIGADIER GENERAL RHETT A. HERNANDEZ, 0000
BRIGADIER GENERAL MARK P. HERTLING, 0000
BRIGADIER GENERAL JAY W. HOOD, 0000
BRIGADIER GENERAL CHARLES H. JACOBY, JR., 0000
BRIGADIER GENERAL JEROME JOHNSON, 0000
BRIGADIER GENERAL GARY M. JONES, 0000
BRIGADIER GENERAL WILLIAM M. LENAERS, 0000
BRIGADIER GENERAL DOUGLAS E. LUTE, 0000
BRIGADIER GENERAL BENJAMIN R. MIXON, 0000
BRIGADIER GENERAL JAMES R. MYLES, 0000
BRIGADIER GENERAL ROGER A. NADEAU, 0000

BRIGADIER GENERAL DAVID M. RODRIGUEZ, 0000
BRIGADIER GENERAL RICHARD J. ROWE, JR., 0000
BRIGADIER GENERAL JEFFREY J. SCHLOSSER, 0000
BRIGADIER GENERAL JEFFREY A. SORENSON, 0000
BRIGADIER GENERAL ABRAHAM J. TURNER, 0000
BRIGADIER GENERAL ROBERT M. WILLIAMS, 0000
BRIGADIER GENERAL RICHARD P. ZAHNER, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

STEVEN F. RECK, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

MARK D. MILLER, 0000

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

NANCY B. GRANE, 0000

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

JACK M. DAVIS, 0000

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

RAMON MORALES, 0000
FRANK M. WOOD, 0000

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

RICHARD E. ANDO, JR., 0000
JANUS D. BUTCHER, 0000
RICHARD A. CURTIN, 0000
WADE A. LILLEGARD, 0000
VICTOR G. ONUFREY, 0000
KENNETH S. PAPIER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

STEPHEN H. GREGG, 0000
MARYELLEN JADICK, 0000
STEPHEN A. JONES, 0000
ROBERT L. SHAW, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

JOHN P. ALBRIGHT, 0000
JAMES W. BEDSOLE, 0000
STEVEN A. DAUENHAUER, 0000
JOHN E. LARSON, 0000
MARGARET G. MEIGS, 0000
LOUIS B. MILLER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

LESTER H. BAKOS, 0000
GUY W. FAVALORO, 0000
RICHARD B. FISCHER, 0000
JAMES H. GILSDORF, 0000
JAMES M. LECLAIR, 0000
GREGORY G. MOVESIAN, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

CHARLES M. BOLIN, 0000

MARK R. FAILING, 0000
JOHN T. GOBER, JR., 0000
THOMAS P. HOYLE, 0000
PHILIP V. MILLER, 0000
CHARLES L. PETERS, 0000
DONALD G. SIMPSON, 0000
JAMES E. WILLIAMS, 0000
JAMES A. WITHERS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

BRUCE STEUART AMBROSE, 0000
JOHN EDWARD BATTEN IV, 0000
STEPHEN L. DEVITA, 0000
NANCY E. GRIFFIN, 0000
CAROLYN T. HOWELL, 0000
RANDY A. HUMMEL, 0000
ARTHUR E. JACKMAN, JR., 0000
DANA D. JACOBSON, 0000
HARRIS J. KLINE, 0000
MATTHEW R. LAVERY, 0000
JEAN R. LOVE, 0000
KATHY A. MONTGOMERY, 0000
BRADFORD L. TAMMARO, 0000
PATRICIA L. WILDERMUTH, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

KAREN A. BALDI, 0000
STANLEY E. CHARTOFF, 0000
ERNEST G. DANIELS, 0000
DANIEL D. HOUSIERE, 0000
KEITH R. KULOW, 0000
JOHN F. LORENTZ, 0000
JAMES E. MANINT, 0000
DANIEL L. MENKES, 0000
ROBERT C. MOORE, 0000
MARY A. NIGRO, 0000
LAWRENCE A. PERIN, 0000
DONALD L. SINDEN, 0000
KIRBY V. C. TURNER, 0000
JON H. WALZ, JR., 0000
PAUL E. WRIGHT, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

VICKIE Z. BECKWITH, 0000
LENORE L. BORIS, 0000
MARK A. CALDWELL, 0000
HEATHER E. COSMAS, 0000
CLAUDIA L. GIESECKE, 0000
JANET A. HAYHURST, 0000
CARLA S. HELM, 0000
GERALD LEE HODGES, 0000
LISA E. HODGES, 0000
ROBERT B. KELSEY, JR., 0000
KATHY L. LEVALLEY, 0000
DANNA M. LILLY, 0000
CAROL F. MELLOM, 0000
JANICE M. MONTGOMERYSUBER, 0000
JANETTE L. MOOREHARBERT, 0000
CECELIA M. NULL, 0000
VALERIE FORD OREAR, 0000
SHERRY L. PURVISWYNN, 0000
GAYLE SEIFULLIN, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

PAUL N. AUSTIN, 0000
ELIZABETH J. BRIDGES, 0000
LORRIE J. CAPPELLINO, 0000
KIMBERLY S. COX, 0000
NANCY A. DEZELL, 0000
KONNIE M. DOYLE, 0000
NORMAN J. FORBES, 0000
KATHRYN E. HALL, 0000
SUSAN R. HALL, 0000
JOANNE HENKENIUSKIRSCHBAUM, 0000
HARVEY K. HILLIARD, 0000
BARBARA JEFTS, 0000
THOMAS F. LANGSTON, 0000
SOLEDAD LINDOMOON, 0000
THERESE M. NEELY, 0000
JULIA E. NELSON, 0000
JOEL D. RAY, 0000
TERRI J. REUSCH, 0000
CASSANDRA R. SALVATORE, 0000
JUDITH SCHAFFER, 0000

ANGELA L. THOMPSON, 0000
FRANK B. THORNBURG III, 0000
FLORENCE A. VALLEY, 0000

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

EDMUND O. ANDERSON, 0000
JULIAN M. ANDREWS, 0000
ROBERT A. ATHAN, 0000
DANIEL S. BADER V., 0000
STEPHEN F. BAGGERLY, 0000
CONRAD C. BARCHFELD, 0000
CARL F. BESS, JR., 0000
GEORGE G. BOSHA, 0000
JOSEPH F. BRADBURY, 0000
NORMAN R. BROSI, 0000
ALAN J. BUCK, 0000
WILLIAM D. COBETTO, 0000
PAUL W. COMTOIS, 0000
GARY A. CRANMER, 0000
DOUGLAS D. DELOZER, 0000
VYAS DESHPANDE, 0000
DAWNE L. DESKINS, 0000
CHARLES F. DICKEY, JR., 0000
ROBERT A. DOEHL, 0000
LEWIS W. DRUMHELLER, 0000
FRED L. FAIRHURST, 0000
GREGORY L. FERGUSON, 0000
DOUGLAS E. PICK, 0000
RONALD P. HAN, JR., 0000
PATRICK C. HARRIS, 0000
JAMES S. HENDERSON, 0000
GORDON W. HOWARD, 0000
KATHRYN L. HULSE, 0000
ARTHUR W. HYATT, JR., 0000
BRADLEY J. JENSEN, 0000
THELMA E. JONES, 0000
BRUCE E. LONAS, 0000
BARRY T. LOWEN, 0000
JAMES CHRISTOPHE LUTTHLY, 0000
CHARLES W. MANLEY II, 0000
TONY E. MCMILLAN, 0000
DAVID J. MILLER, 0000
ROBERT T. MONAHAN, 0000
WILLIAM R. MORRIS, 0000
JOHN E. MURPHY, 0000
SHERMAN L. OWENS, 0000
MICHAEL A. PANKAU, 0000
STEPHAN A. PAPPAS, 0000
GREGORY D. PARKER, 0000
ROGER F. PHARO, JR., 0000
MICHAEL J. RAUENHORST, 0000
NATHANIEL S. REDDICKS, 0000
RODNEY D. RUMPF, 0000
MARC H. SASSEVILLE, 0000
MICHAEL G. SCHWAB, 0000
JESSE T. SIMMONS, JR., 0000
RONALD J. SMITH, 0000
THERESA L. SNOW, 0000
RODNEY I. SPAHN, 0000
THOMAS W. STANLEY, 0000
MARK S. SUSA, 0000
THOMAS A. THOMAS, JR., 0000
GLENN K. THOMPSON, 0000
RAY A. TURNER, JR., 0000
JENNIFER L. WALTER, 0000
JOHN C. WASSERBURGER, 0000
SUSAN A. WASSERMAN, 0000
WILLIAM L. WELSH, 0000
DARRELL K. XRICARDSON, 0000
RICKY G. YODER, 0000
SCOTT A. YOUNG, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

KENNETH M. FRANCIS, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

VITO MANENTE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

JEFFREY H. WILSON, 0000