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Senate

The Senate met at 10 a.m. and was called to order by the Honorable ROBERT F. BENNETT, a Senator from the State of Utah.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, CAPT Wilbur C. Douglass III, who is the Chaplain of the U.S. Coast Guard.

PRAYER

The guest Chaplain offered the following prayer:

Please join me in prayer.

Holy and Merciful God, Lord of all Creation, hear this our prayer that emanates from the collective hearts assembled here today. Envelop and bless this gathering of Your chosen servants as they now prepare to face the arduous challenges of this day. In the silence of these brief solemn moments cause each of them to fully know that You have placed Your guiding hand upon them, protecting them both individually and as one united body.

Lord God, as You give guidance to these audacious men and women here today, enable them to clearly and distinctively hear the guidance of Your loving voice well above the confusion and chaos of a world conflicted in turmoil.

Bless, guide, encourage, and protect the courageous men and women of our Armed Forces, our Congress, our President, and, especially, our beloved United States of America. Hear us, as we pray together in Your gracious and powerful name and say in one voice . . . Amen.

PLEDGE OF ALLEGIANCE

The Honorable ROBERT F. BENNETT 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 9, 2003.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT F. BENNETT, a Senator from the State of Utah, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. BENNETT 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, the Senate will be in a period of morning business for the next hour and a half, until 11:30 a.m., with the first 30 minutes equally divided between Senator HUTCHISON and the minority leader or their designees. This time is dedicated to the men and women fighting in Iraq. The remaining time until 11:30 a.m. will be equally divided between the two leaders or their designees. During the Republican-controlled time, Senator DOLE will be recognized for up to 15 minutes and Senator KYL will be recognized for up to 15 minutes.

Following morning business, the Senate will resume debate on the CARE Act. When the Senate returns to consideration of the bill, Senator NICKLES will offer his amendment related to land sales. The Senate will vote on both the Nickles amendment and final passage of the CARE Act at approximately 12:30 p.m. today.

Following passage of the CARE Act, the Senate may resume consideration of the nomination of Priscilla Owen. In addition to the Owen nomination, the Senate may consider the PROTECT Act conference report, if available, as well as a POW resolution. Additional votes are, therefore, expected.

SUPPORTING OUR TROOPS

Mr. FRIST. Mr. President, as we have been doing over the last several weeks, we are devoting a few moments each morning to pay respect to the tremendous work our troops are doing overseas. Evidence continues to build that American and coalition forces are advancing, that they will prevail in this war.

Coalition aircraft destroyed a complex believed to be the site of an Iraqi leadership meeting.

Coalition forces are conducting operations at will throughout Baghdad, and British forces now control most of Iraq's second largest city.

The threat of Chemical Ali, the Iraqi general responsible for the atrocious chemical attacks on the Kurds in the 1980s, has reportedly been eliminated.

We have captured more than 7,000 Iraqi prisoners of war.

Of the more than 800 tanks in the Iraqi Army when this conflict began, all but a few, a couple dozen, have been destroyed or abandoned.

Coalition forces continue to generate good will among the Iraqi people, as we saw on the television early this morning, by delivering humanitarian supplies the country so desperately needs.

I applaud a very special group of people in Iraq, and that is the medical workers, the medical personnel, the troops who are responsible for delivering care, both in Iraq and the surrounding region. They are providing

superb care, not only to fellow Americans who have been wounded on the battlefield but also to nearly 300 wounded Iraqi soldiers, as well as civilians. On the hospital ship Comfort in the northern Arabian Gulf, we are treating 75 Iraqi prisoners of war.

Yesterday, the Pentagon quoted one doctor who said:

> We do not differentiate between patients, whether they are friends or foes.

I cannot imagine a more powerful statement about the compassion of our men and our women in uniform and our country.

On Monday, GEN Tommy Franks paid a visit to the 101st Airborne in Najaf. He awarded Bronze Stars to two 1st Brigade soldiers: SGT James Ward of the 1st Battalion and SGT Lucas Goddard of the 3rd Battalion. PFC Miguel Pena of the 2nd Battalion will also receive a Bronze Star at a future date.

In closing, General Franks said in a brief speech during the ceremony something that really captures, I believe, the feelings of all Americans when he said:

> There's something real special to stand with these two young noncommissioned officers back here—and stand with these heroes.

He continues:

> What I meant when I said stand with ''these heroes'' is I meant all of you.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. TALENT). 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 not to extend beyond the hour of 11:30 a.m., with the first 30 minutes to be equally divided between the Senator from Texas, Mrs. HUTCHISON, and the Democratic leader, or their designees, with the remaining time to be equally divided between the two leaders or their designees.

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield such time that the Senator from Tennessee may consume.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

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

Mr. ALEXANDER. Of course.

Mr. LEVIN. Mr. President, I ask unanimous consent that following the Senator from Tennessee, the Senator from Georgia be recognized and I be recognized immediately following the Senator from Georgia.

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

The Senator from Michigan.

Ms. STABENOW. Mr. President, I further ask unanimous consent that after Mr. LEVIN, the senior Senator from Michigan, speaks, the junior Senator from Michigan be recognized.

Mrs. HUTCHISON. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. That will be up until the 15 minutes for their side, and with that I agree to the unanimous consent request. There is another Senator coming for our 15-minute period.

Ms. STABENOW. Yes.

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

The Senator from Tennessee.

HONORING OUR ARMED FORCES

Mr. ALEXANDER. Mr. President, I thank the Senator from Texas.

The majority leader mentioned the 101st Airborne Division in his remarks. Both he and I feel a special pride in that division because it sits on the border of Tennessee and Kentucky. The majority leader was there 10 days ago with the families over a weekend, and I was there over the past weekend with the Secretary of the Army at a luncheon in honor of the families there.

I suppose this must be said of every part of our military today, but no one can go to Fort Campbell without being enormously impressed with every single military person one meets, especially the family members. Among those was Holly Petraeus, who is the wife of the commanding general of the 101st Airborne Division.

We talked about a great many things on Saturday. We talked about the bravery of the men and women from the 101st and from the Army Special Forces Divisions who have been in Iraq even longer. We talked about the number of Tennessee reservists, American reservists, and National Guard men and women who have been deployed since 9/11.

If I remember correctly, the Secretary of the Army estimated that nearly two-thirds of all of our reservists and National Guard men and women have been activated in one form or another since 9/11. We owe them enormous gratitude.

We talked about one other thing at Fort Campbell last Saturday, and that was the debt we owe to our allies because we are not in Iraq alone. We talk about the coalition of the willing. So today, I rise not just to talk about our brave men and women at Fort Campbell, about whom I will have more to say later this week, but I want to express our appreciation for and salute our allies in the military action in Iraq.

Many of our colleagues have noted the leadership of Great Britain and Prime Minister Blair, and rightfully so. Great Britain has long been a great ally of this country, and we are deeply grateful for that. But another ally has contributed significantly to military resources in this effort, a country we sometimes might overlook. That country is Australia.

Although their military is not as large as Great Britain, their contribution is significant and they deserve our thanks. Australia has long been a friend and ally to the United States. Not only did they send troops to support us in the 1991 war in the Persian Gulf, they also joined us in military action in Korea and in Vietnam. Australians share our values of democracy and a pioneering spirit. Australia also shares our history of being a former British colony with a strong independent streak. The British may be our ancestors, but the Australians are our first cousins.

Today, Australia is standing with us again. In fact, they have committed more troops to our current efforts in Iraq than they did 12 years ago in 1991. Australia's commitment includes: 14 F–18 jet fighters, 3 C–130 transport aircraft, three naval vessels, one transport and two frigates, CH–47 troop-lift helicopters and accompanying troops, and a Special Forces task group of 500 troops.

In total, Australia has committed about 2,000 army, air force, and naval personnel—their second largest military deployment since Vietnam. And they have been very active.

Australia's Special Forces have seen combat in what their commander describes as ''shoot and scoot'' missions. They have destroyed installations behind enemy lines and provided important reconnaissance information.

An Australian diving team has been instrumental in clearing underwater mines at the Iraqi port of Umm Qasr, making it possible for the arrival of humanitarian aid.

Their ships aided in the capture of an Iraqi vessel that was trying to lay more mines in the Gulf.

And their F–18 fighter aircraft have joined ours in air strikes on enemy military targets.

Australian Prime Minister John Howard told his Parliament on March 18:

> We have supported the Americans position on this issue because we share their concerns and we share their worries about the future if Iraq is left unattended to.
>
> Alliances are two-way processes and, when we are in agreement, we should not leave it to the United States to do all of the heavy lifting just because they are the world's superpower.

Now that is a true friend. Australia may not have the largest military in the world, but that won't stop them from sending what they can to help our brave men and women fighting in Iraq. They do not want to leave us to do all the ''heavy lifting.'' And, as I noted earlier, their help has been real and significant.

Australia, led by Prime Minister Howard, has taken a courageous stand by supporting us in this war and committing so many of its troops. They are a true friend and ally of the United States, and I know we are all grateful for their help and support.

If I may say, in 1987, after I left the Tennessee Governor's office, my family

and I moved to Australia. We lived in Sydney for 6 months. We did that to get to know each other as a family even better, after so many years in politics. It gave us a chance to know our first cousins in Australia and to see our country at home in an even different way.

In 1992, when I served in President Bush's Cabinet, the President asked then-Secretary of Defense CHENEY and me to go to Australia to help celebrate the 50th anniversary of the Battle of the Coral Sea. I have been reminded many times that our Australian friends remember that the United States of America stood with them during World War II, and they stand with us today. That is why on last Saturday, at Fort Campbell, we were not only talking about the bravery of American men and women and about our own National Guardsmen and reservists, we were talking about how much we respect and appreciate the support our fighting men and women have received from our allies overseas, especially from the brave men and women in Australia.

I yield the floor.

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

Mr. MILLER. Mr. President, I rise this morning to share with my colleagues the story of one of my Georgia constituents. It beings with a brave young 3rd Infantry soldier named Diego Rincon.

Diego was a native of Colombia and he came to the United States in 1989 with his family when he was 5 years old. He enjoyed a life of freedom and safety that might never have been possible in Colombia.

Diego was extremely loyal to the country that welcomed him. And after the September 11 attacks, he decided it was time to repay his adopted Nation.

Upon graduation from Salem High School in Conyers, GA, Diego enlisted in the Army. He became a member of the ''Rock of the Marne,'' Fort Stewart's 3rd Infantry Division.

Sadly, PFC Rincon was killed March 29 in Iraq by a suicide bomber at a military checkpoint. Diego was 19 years old. Three other members of his 1st Brigade were also killed.

In late February, Diego wrote his final letter home to his mother just as his brigade was getting ready to move out. I would like to read just a couple of paragraphs from that letter:

> So I guess the time has finally come for us to see what we are made of, who will crack when the stress level rises and who will be calm all the way through it. Only time will tell.
>
> I try not to think of what may happen in the future, but I can't stand seeing it in my eyes. There's going to be murders, funerals and tears rolling down everybody's eyes.
>
> But the only thing I can say is, keep my head up and try to keep the faith and pray for better days. All this will pass. I believe God has a path for me.
>
> Whether I make it or not, it's all part of the plan. It can't be changed, only completed.

This 19-year-old young man, was wise beyond his years. Diego joined the Army for the noblest of reasons. He fought and died in Iraq while defending our Nation's freedom.

And after his death, when I talked with his family, they asked one last request of the Government in return for their son's life—to be able to bury him this Thursday as a U.S. citizen.

I am very pleased and proud to announce today that, with the help of the INS, PFC Diego Rincon has been awarded U.S. citizenship. Tomorrow, this brave soldier will be buried in Georgia as a citizen of this great country.

But there are thousands of noncitizens fighting in our military right now. So I, along with my fellow Senator from Georgia, Mr. CHAMBLISS, have introduced legislation calling for citizenship to be granted immediately to any soldier who fights in our armed services and dies in combat.

For those among our troops who are not citizens and who die on the battlefield, I believe the least we can do is to honor them with posthumous citizenship. I believe it should be done automatically by the Government, with no delay and no burden on the families.

Under our bill, the families of these brave soldiers would not have to fill out any forms or make any phone calls. This citizenship would apply only to the deceased soldier, and it would not make the soldier's family eligible for any extra benefit or any special treatment. It is simply a final gesture of thanks and gratitude for the ultimate sacrifice these immigrant soldiers have made for their adopted country.

I yield the floor.

The PRESIDING OFFICER. The Chair wishes to announce there are 2 minutes 49 seconds remaining on the Republican side and 6 minutes 14 seconds on the Democratic side.

The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, we have moved into morning business, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEVIN. I wonder if there would be any objection to adding 10 minutes to this period of time, given the number of speakers we have on the floor. I would not want to do that without the leadership knowing about it. I wonder if somebody could check to see if there would be any objection to our adding 10 minutes to this particular period.

Mr. President, one of my greatest pleasures and privileges of serving on the Armed Services Committee has been the close working contact I have had with the men and women who make up America's Armed Forces. They truly represent the best our Nation has to offer. Whenever I visit them, no matter where they are stationed or deployed, I come away proud and impressed by their courage, their professionalism and their commitment.

Across the country, Americans have rallied, volunteered, and sent donations to show their support for our military members serving in Operation Iraqi Freedom. This generosity of heart has been apparent in every corner of my home State of Michigan.

Michigan has a long tradition of giving its all in support of young Americans waging a war overseas. Over 60 years ago, Michigan's automotive factories were the heart of the ''Arsenal of Democracy'', which helped to bring an Allied victory in World War II. As President Franklin Delano Roosevelt said at that time, Americans at home were a crucial component of the war: ''We must apply ourselves to our task with the same resolution, the same sense of urgency, the same spirit of patriotism and sacrifice'' as those serving on the front lines.

And Michiganders have always stepped up to that challenge, giving of their time, their resources, their energy, and their love in support of our troops. Since the war in Iraq began, in countless ways, Michiganders have sought to express their thanks to our service members.

There are currently over 3,400 Michiganders from National Guard and Reserve units who have been activated, in addition to many active duty service members for Michigan serving in support of ongoing military operations. In February, I traveled to Kuwait, Qatar, and other places in the region and had the honor of meeting with a group of about 20 Marines from Michigan at Camp Commando. These dedicated, professional men and women were highly motivated, well prepared, and their morale was high. They are remarkable representatives of America and the values we stand for.

To show our gratitude for their work, thousands have rallied across Michigan in support of the troops. At the Capitol in Lansing, at Centennial Park in Holland, at Calder Plaza in Grand Rapids, at Veterans Memorial Park in Ann Arbor, and St. Mary's Park in Monroe—among many other locales—groups have gathered to voice support for the troops and wish them a quick, safe return home.

In Jackson, people lined the streets for a parade to send off members of a local Army Reserve unit mobilized to active duty. A parade was held in Houghton, where uniformed men and women displayed their colors for the troops, and a similar event in support of the service members is planned in Cheboygan. Bowen Holliday Post 35 of the American Legion in Traverse City is giving out Blue Star Service Banners to military families as a visual reminder of sons and daughters serving the country.

And Rudyard, Michigan—a town of 1,315 in the Upper Peninsula—has seen more than ten percent of its population mobilized on active military duty.

Although the Defense Department prohibits sending care packages to ''any servicemember'' due to security concerns and transportation constraints, Michigan residents have found many ways to provide service people with a piece of home.

Girl Scouts in the Upper Peninsula are conducting a campaign called ''Cookies From Home.'' The scouts are collecting donations from U.P. residents, and the money will be used to buy boxes of Girl Scout cookies which they will send to the troops. Last year, Girl Scouts in the Upper Peninsula sent 2,076 boxes of cookies to Bosnia and Saudi Arabia as part of the campaign.

Students at Ishpeming High School in the U.P. have started a letter writing campaign to Ishpeming graduates who are now serving in the military overseas. The Gogebic County Sheriff's Department is participating in Operation Adopt-A-Family, which is intended to help people who need assistance as the result of the deployment of a spouse or parent. Many groups—including the Milan Area Chamber of Commerce—have ''adopted'' soldiers, sending them correspondence, thoughts and prayers. Two Jackson, Michigan, men have teamed up to write ''Heroes Piano,'' a song supporting the troops.

A group of Wayne schoolchildren is showing their support by making a special video in appreciation of U.S. service members. Similarly, but on a larger scale, the ABC television station in Detroit is traveling around town with a camera for a project called ''To Our Troops,'' in which they provide residents with an opportunity to send a message directly to the men and women in the battlefield.

Unfortunately, war is a dangerous business and it grieves me to report that four Michigan service members have made the ultimate sacrifice in the service of their country in Operation Iraqi Freedom: Marine Major Kevin G. Nave of Union Lake, Army Sergeant Todd J. Robbins of Pentwater, Army Sergeant Michael F. Pedersen of Flint, and Private First Class Brandon Sloan of Fraser. I want to close my remarks this morning by paying tribute to their sacrifice and the sacrifice of their families. Our thoughts and prayers are with their families as they cope with their loss. They should know that a grateful Nation will never forget their loved one and the sacrifice they have made.

On behalf of all of the people of Michigan, I say thank you to all the men and women of our armed forces who are carrying out the dangerous mission of disarming Saddam Hussein and his regime. May God speed you home.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

First, for the purpose of the information of the Democratic leadership, there are 17 seconds remaining on the Democratic side.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the junior Senator from Michigan be allowed 5 minutes extra. I am going to withhold, and then my colleague from North Carolina will follow Senator STABENOW because there is a very important speech and a timetable for the Senator from North Carolina. I ask unanimous consent that the Senator from Michigan be recognized for 5 minutes, after which the Senator from North Carolina be recognized for 20 minutes.

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

The Senator from Michigan is recognized for 5 minutes.

Ms. STABENOW. Mr. President, I rise to commend my colleague from Michigan for his comments and rise to support and join him in praising our men and women in uniform who are putting their futures on hold and their lives on the line to defend our Nation and protect and advance freedom around the world.

The military action is going very well. We expect no less from our men and women in uniform; they are highly prepared and trained and dedicated.

Already many of these dedicated men and women have made the ultimate sacrifice.

Across the Nation last week we rejoiced at the dramatic rescue of Army PFC Jessica Lynch.

Sadly, among the bodies found in or near the hospital where Lynch was held was the body of Private Brandon Sloan of Fraser, MI—one of Lynch's comrades in the 507th Ordnance Maintenance Company that was ambushed by the Iraqis on March 23.

Others from Michigan who have given their lives in Iraq are: Marine MAJ Kevin Nave of White Lake Township, Army SGT Michael Pedersen of Flint, MI, and Army SGT Todd Robbins of Pentwater, MI.

And in the continuing operation in Afghanistan, Michigan mourns the loss of Air Force SrA Jason Plite of Grand Ledge who died in a helicopter accident as he flew on a mission to rescue two injured Afghan children.

Our hearts and prayers go out to the families of these men and the families of all the other men and women who, as Lincoln said, ''gave the last measure of full devotion'' for their country.

Our troops who wear the uniform of this Nation with such honor deserve to know they are held in honor here at home.

My father was in the Navy during World War II and my husband served in the Air Force during the first Gulf War. Both have told me how important it was for the morale of all those who served to know they had the support of their Nation.

Military officials tell me there are things Americans can do right here at home to let our troops overseas know they are in our thoughts and prayers—things that will make life a little better for people right in our hometowns as well.

I commend, as did Senator LEVIN, all who are reaching out to support our troops.

Unlike previous conflicts, the Defense Department is asking people not to send care packages or letters not addressed to specific military personnel. Since the anthrax attacks of October 2001, these kinds of mailings just pose too much of a security risk.

However, the military encourages individuals or groups to show their support for the troops abroad by showing support at home for our veterans and the families of current National Guard and Reserve personnel whose loved ones are deployed far away—and then sharing your efforts with our troops in Iraq.

For instance, my home State of Michigan is home to almost 875,000 veterans of conflicts going all the way back to World War I. Volunteers are always needed at veteran's hospitals and veteran's homes.

Volunteers are also needed to help family readiness groups that assist the families of the National Guard and Reserve personnel who have been deployed far from home.

From my home state of Michigan, the men and women of the 127th Air National Guard Wing in Selfridge, the 110th Fighter Wing in Battle Creek and the Combat Readiness Training Center in Alpena have been mobilized and deployed to bases around the world, including Kuwait, Saudi Arabia, the United Arab Emirates, South West Asia, and Turkey.

Army National Guard and Reserve units from Owosso, Taylor, Grand Ledge, Grayling, Sault Ste. Marie, Midland, Pontiac, Three Rivers, Augusta, Selfridge, and Ypsilanti have been mobilized and are awaiting their deployment orders.

Many of these men and women leave families and well-paying jobs behind—creating hardships for themselves and their families just so they can serve their Nation.

Family readiness volunteers help families of Guard and Reserve units with everything from arranging for baby sitting and lawn care to staffing phone trees that keep families informed of the most recent developments regarding the deployment of their loved ones.

Once you have volunteered, military officials encourage you to go to a special website called *www.operationdearabby.net.*

There you can post a note to our troops letting them know what you and your neighbors are doing here at home to show your support as they serve abroad.

Military mail officials sort these messages so they can be delivered to soldiers who would be the most interested.

Mr. President, over the past 2 weeks our men and women in uniform have put on an amazing display of bravery and toughness. We have all seen the picture of our troops standing up against not just the enemy—but pounding sandstorms and blistering heat.

But something about the scene is very familiar—and very American. In fact, it is a scene as old as our Republic itself, as old as the brutal winter at Valley Forge in 1777.

Listen to the words of George Washington when he bid farewell to his troops when the war was finally over.

Against all odds, including that bitter winter and Valley Forge, these soldiers had won their freedom and created a new Nation.

It was almost with a sense of awe that Washington said to them:

The unparalleled perseverance of the Armies of the United States, through almost every possible suffering and discouragement, was little short of a standing miracle.

The spirit of that first American army lives on in our men and women in uniform today.

It is still little short of a standing miracle, it still inspires awe, and it commands us to do whatever we can do here at home to show our unwavering support.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

TRIBUTE TO SENATOR BOB DOLE

Mrs. DOLE. Mr. President, I rise today to pay tribute to the remarkable accomplishments of a former Member of this body, a friend of many Senators, who delivered his first speech in this Chamber 34 years ago next week.

It was April 14, 1969, when the gentleman from Kansas, Senator Bob Dole, stood not far from here to address his Senate colleagues for the first time. He spoke eloquently about a group of Americans who were very close to his heart . . . Americans who, prior to his involvement, had largely been ignored.

It was a group of Americans he had joined exactly 24 years earlier, when on April 14, 1945, he was wounded in the hills of Italy as he led his men in battle. As a result of his wounds, Bob spent 39 months in various hospitals, and doctors operated on him eight times. Eventually, he was left without the use of his right arm.

So it was that Senator Bob Dole who rose on April 14, 1969, not just to speak as a U.S. Senator, but as one of the millions of Americans who have a disability.

Mr. President, at this time, I ask unanimous consent to have printed in the RECORD a copy of the April 14th speech.

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

HANDICAPPED AMERICANS

Mr. DOLE. Mr. President, my remarks today concern an exceptional group which I joined on another April 14, twenty-four years ago, during World War II.

It is a minority group whose existence affects every person in our society and the very fiber of our Nation.

It is a group which no one joins by personal choice—a group whose requirements for membership are not based on age, sex, wealth, education, skin color, religious beliefs, political party, power, or prestige.

As a minority, it has always known exclusion—maybe not exclusion from the front of the bus, but perhaps from even climbing aboard it; maybe not exclusion from pursuing advanced education, but perhaps from experiencing any formal education; maybe not exclusion from day-to-day life itself, but perhaps from an adequate opportunity to develop and contribute to his or her fullest capacity.

It is a minority, yet a group to which at least one out of every five Americans belongs.

Mr. President, I speak today about 42 million citizens of our Nation who are physically, mentally, or emotionally handicapped.

WHO ARE THE HANDICAPPED?

Who are the handicapped?

They are persons—men, women, and children—who cannot achieve full physical, mental, and social potential because of disability.

Although some live in institutions, many more live in the community. Some are so severely disabled as to be homebound, or even bed-bound. Still others are able to take part in community activities when they have access and facilities.

They include amputees, paraplegics, polio victims. Causes of disability include arthritis, cardio-vascular diseases, multiple sclerosis, and muscular dystrophy.

While you may have good vision and hearing, many persons live each day with limited eyesight or hearing, or with none at all.

While you may enjoy full muscle strength and coordination in your legs, there are those who must rely on braces or crutches, or perhaps a walker or wheel chair.

While you perform daily millions of tasks with your hands and arms, there are many who live with limited or total disability in theirs.

And in contrast to most people, thousands of adults and children suffer mental or emotional disorders which hinder their abilities to learn and apply what is learned and to cope adequately with their families, jobs, and communities.

Then there are those who are affected with combination or multiple handicaps.

NOT JUST THE HANDICAP

For our Nation's 42 million handicapped persons and their families, yesterday, today, and tomorrow are not filled with ''everyday'' kinds of problems which can be solved or soothed by ''everyday'' kinds of answers. Their daily challenge is: accepting and working with a disability so that the handicapped person can become as active and useful, as independent, secure, and dignified as his ability will allow.

Too many handicapped persons lead lives of loneliness and despair; too many feel and too many are cut off from our work-oriented society; too many cannot fill empty hours in a satisfying, constructive manner. The leisure most of us crave can and has become a curse to many of our Nation's handicapped.

Often when a handicapped person is able to work full or part time, there are few jobs or inadequate training programs in his locale. Although progress is being made, many employers are hesitant to hire a handicapped person, ignoring statistics that show he is often a better and more dependent worker.

The result is that abilities of a person are overlooked because of disabilities which may bear little or no true relation to the job at hand. The result to the taxpayer may be to support one more person at a cost of as much as $3,500 per person a year. To the handicapped person himself, it means more dependency.

STATISTICS

Consider these statistics: Only one-third of America's blind and less than half of the paraplegics of working age are employed, while only a handful of about 200,000 persons with cerebral palsy who are of working age are employed.

Beyond this, far too many handicapped persons and their families bear serious economic problems—despite token Government pensions and income tax deductions for a few, and other financial aids. I recall a portion of a letter received recently from the mother of a cerebral palsy child in a Midwestern urban area: ''There are the never-ending surgeries, braces, orthopedic shoes, wheelchairs, walkers, standing tables, bath tables and so on . . . we parents follow up on every hopeful lead in clinics and with specialists; we go up and down paths blindly and always expensively . . . I have talked with four major insurance companies who do not insure or infrequently insure CP children . . . although our daughter is included in her father's group hospitalization plan, many families are not as fortunate. These are just a few of the problems, compounded by the fact we must try to adequately meet the needs of our other ''normal'' children. In many cases, some kind of financial assistance would enable us and others like us to provide for our children in our homes, avoiding overcrowding of already overcrowded facilities and further adding to the taxpayer's burden costs for complete care.''

There are other problems—availability and access of health care personnel and facilities at the time and place the individual with handicaps needs them. In my own largely rural State of Kansas, many handicapped persons travel 300 miles or more to receive the basic health services they require.

Education presents difficulties for many parents of handicapped children. Although a child may be educable, there may be few, if any, opportunities in the community for him to receive an education. Private tutoring, if available, is often too expensive. Sadly to date, the Council for Exceptional Children estimates less than one-third of the Nation's children requiring special education are receiving it.

In rehabilitation, the Department of Health, Education, and Welfare said recently 25 percent of America's disabled have not received rehabilitation services and do not know where to seek such help. They estimate that at least 5 million disabled persons may be eligible for assistance.

Other problems the handicapped person faces each day include availability and access of recreation and transportation facilities, architectural barriers in residences and other buildings, and many, many more.

STILL A PROMISING OUTLOOK

We in America are still far from the halfway point of assuring that every handicapped person can become as active and useful as his capacities will allow. The outlook for the handicapped person in 1969, however, is not altogether bleak. Unparalleled achievements in medicine, science, education, technology as well as in public attitudes have cemented a framework in which the handicapped person today has more opportunities available to him than ever before. Consider first what government is doing.

THE GOVERNMENT STORY

The story of what the Federal Government, hand in hand with State governments, is doing to help meet the needs of the handicapped is not one that draws the biggest and boldest headlines. Broadly, the story is a ''good'' one, consisting of achievements in financial assistance, rehabilitation, research, education, and training of the handicapped—a massive effort to help many disabled Americans live as normal, as full and rich lives as possible.

It is, in part, the story of a man who, at age 21, became a paraplegic after sustaining

injuries to his spinal cord and head in an accident while on the job.

In 1968, he joined over 2,300,000 other disabled men and women who have been restored to more productive, useful lives since the State-Federal vocational rehabilitation program began 48 years ago.

In 1964, the young man—a high school dropout with a wife and child—was referred to his State's division of vocational rehabilitation where a thorough program of total rehabilitation began. In addition, he was enrolled in a training school and was graduated as a fully licensed insurance agent.

Today—4 years later—he has his own successful insurance business. He and his wife have built a new home and adopted a baby.

It is a measure of America's concern for its handicapped citizens that even 50 years ago, this story could not have been told.

It takes place now because the Congress and the Federal Government initiated and guided a vital, vigorous program of vocational rehabilitation.

Mr. President, vocational rehabilitation is one of many ways of the Federal Government works to aid the handicapped. But none of the Federal programs necessarily reaches or helps every handicapped person.

Nevertheless, the role of the Government has been basically successful in terms of numbers assisted, basic research performed, and the movement of increasingly large numbers of persons into more productive, satisfying channels. It demonstrates what Congress and Federal and State governments are doing to help America's handicapped better participate and achieve.

Mr. President, at this point, I ask unanimous consent to have printed in the Record, at the close of my remarks, a brief summary of Federal programs for the handicapped.

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

(See exhibit 1.)

THE PRIVATE SECTOR

Mr. DOLE. Mr. President, it is in the American tradition and spirit that parallel to Government effort there has developed the vital and growing effort for the handicapped by individuals, business and industry, churches and private, voluntary organizations. It is a herculean task to properly assess the many, far-reaching effects of the private sector—in health care, education, employment; in research, rehabilitation, by fundraising drives and through professional organizations and groups for the handicapped themselves. But it is here in the private sector—with its emphasis on the creativity, concern, and energies of our people—that America has become the envy of the world. Our private economy and the resources of our people have combined to improve the quality of life in America in ways and for persons the Government could not begin to match or reach.

For the handicapped, their achievements have been no less. I shall not today, detail or single out the achievements of the voluntary groups and private enterprise involved in aiding the handicapped. But let the record show that without the sincerity, scope, and success of their efforts—in public information, employment and training, in upgrading health care and education personnel and facilities, in fundraising and in supporting research to conquer or at least minimize the effects of handicapping conditions—the prospects for the handicapped individuals would not be as hopeful as they are today.

WHERE DO WE GO FROM HERE?

Mr. President, as new public and private programs are developed, as old ones are strengthened and some, perhaps eliminated, as we in Congress allocate comparatively limited funds to help the handicapped, the responsibilities and opportunities loom large before us.

We must insure our efforts and money are not misplaced or misdirected—that they do not just promise, but really do the job.

Are we all doing our best to see that all the knowledge, information, money, and other help is consolidated and available to the handicapped person in the form he can use and at the time and place he most needs it?

Is there sufficient coordination and planning between and among the private groups and the Government agencies to avoid multiplicity and duplication so that we best serve America's handicapped?

Are we sometimes engaged in a numbers race—attending to cases that respond more quickly in order to show results to donors, members, and taxpayers, thus sacrificing some attention which should be focused on the really tough problems?

Many handicapped persons of our Nation are no longer helpless or hopeless because of private and public efforts which have helped them to better help and be themselves.

But the fact remains that some of our Nation's handicapped and their families are attacking the very programs and projects created to help them.

Some are disillusioned and disaffected by the programs.

Too often, the information, the services, the human help and encouragement are not reaching the person for whom they were intended and at the time and place he needs them.

Some sincerely believe there may be better ways we can demonstrate our concern and thereby better achieve for the person with handicaps the independence, security, and dignity to which he is entitled.

I am reminded of a statement given recently by the 1968 president of the National Rehabilitation Association: ''It is the person, not the program that is of overwhelming importance. It is not the disability that claims our attention, it is the person with handicaps. It is not the maintenance of prestige of a particular profession that matters. It is the contribution of the profession to solving the complex problems of the individual who has handicaps.''

When more of this emphasis on the individual better influence the agencies and professions dealing with the handicapped, I believe we can begin to open new, more meaningful vistas for more persons with handicaps.

We have been involved in efforts which have been creditable to date. Of this, there is no doubt.

But are we doing our best?

A highly respected official of the U.S. Department of Health, Education, and Welfare summed up the problem this way: ''I do not feel we are spending our dollars—public or voluntarily—as effectively as we could. We need to take a whole new look at what is going on, where the service is given. We need to try to design new methods and clearer purposes for our efforts. We need to relate our efforts more closely to the needs of a community, to the needs of its individuals. And we need to try to measure, as concretely and specifically as possible what is actually achieved by our expenditures.''

Our handicapped citizens are one of our Nation's greatest unmet responsibilities and untapped resources. We must do better.

PRESIDENTIAL TASK FORCE

With this in mind, I suggest the creation of a Presidential task force or commission to review what the public and private sectors are doing and to recommend how we can do better.

Composed of representatives of the public and private sectors, this task force or commission could provide an overview of how to provide the handicapped more help and hope.

Such a task force or commission could provide valuable assistance to Congress and the administration as we develop programs and allocate comparatively limited funds for the handicapped.

It could also help private organizations and voluntary groups conduct their efforts more efficiently and effectively.

The goal of a task force or commission, to achieve maximum independence, security, and dignity for the individual with handicaps, should encompass the total needs of the handicapped, not just employment or education or any other.

Rather the task force or commission should concern itself with the whole broad spectrum of needs and services, because as I have pointed out the problems of the handicapped do not begin and end with the handicap itself.

Although there are hundreds of areas a task force or commission could review, I am hopeful, if created, it would include the following subjects:

First. Expansion of employment, transportation, and recreation opportunities for the handicapped.

Second. A directory or central clearinghouse to help inform the handicapped person and his family of available public and private assistance.

There are many helpful handbooks and information sources available. But most are not comprehensive and are more accessible to professionals in the field than to the handicapped who really need the guidance and information.

Third. Removal of architectural barriers.

Many persons cannot secure employment or fill their leisure hours because their disabilities bar use of the facilities. It is just as easy to build and equip buildings so that the handicapped and unhandicapped can use them. The Federal Government is doing this now for federally financed structures.

Fourth. More development of health care on a regional or community basis.

This is a tough, but priority matter and one which cannot be accomplished quickly or inexpensively. But we must begin to move toward more adequate health care facilities and personnel which serve each person at the time and place he needs them.

Fifth. Better serving the special educational needs of the handicapped.

Both the person and the Nation suffer when any educatable child—handicapped or unhandicapped—does not receive an education.

Sixth. Income tax deductions and/or other financial assistance to extend relief to more handicapped persons and their families.

Seventh. More attention on the family of the handicapped person.

These are the people who often need a degree of encouragement, counseling, and ''rehabilitation'' themselves. Are there services we should provide to family members whose own lives and resources are deeply affected by the presence of a handicapped person?

Eighth. Increased dialog and coordination between private and voluntary groups and Government agencies to avoid multiplicity and duplication.

What is at stake is not the agency, group, or program. What is at stake is the future of the handicapped person with his own abilities and potentialities.

CONCLUSION

This, then, Mr. President, is the sum and substance of my first speech in the Senate.

I know of no more important subject matter, not solely because of my personal interest, but because in our great country some 42 million Americans suffer from a physical,

mental, or emotional handicap. Progress has been and will continue to be made by Federal and State governments, by private agencies, and individual Americans; but nonetheless there is still much to be done, if the handicapped American: young, old, black, white, rich, or poor is to share in the joys experienced by others. The task ahead is monumental, but I am confident that there are forces in America ready and willing to meet the challenge—including, of course, many of my distinguished colleagues who by their acts and deeds have demonstrated their great interest.

Mrs. DOLE. I urge my colleagues to read it, because it is as compelling today at it was 34 years ago. It offers a comprehensive analysis of the challenges facing those with disabilities, and the steps needed to fulfill their dreams of full participation in society. Thanks to the leadership and perseverance of Bob Dole—and thanks to the work of others like Senator DOMENICI, Senator HARKIN and Senator KENNEDY—the dreams of millions of disabled Americans have become reality.

Indeed, over the course of the past three decades, Bob Dole's fingerprints can be found all over every piece of legislation that increased opportunities for the disabled, including, of course, the landmark Americans with Disabilities Act.

Bob has described July 26, 1990—the day President Bush signed the ADA into law—as one of the most rewarding days of his life. He once said, ''I suppose there were some that day, who saw only a White House lawn covered with wheelchairs and guide dogs. But that just goes to show who in our society is truly limited. My own perspective was very different. As I looked around, I saw Americans with amazing gifts, who could finally contribute to a nation much in need of their skills and insights.''

Bob's concern for individuals with disabilities was not limited to those within America's borders. His leadership prodded the State Department to include the status of people with disabilities in its annual report on human rights.

And since leaving the Senate, he has continued his advocacy on behalf of disabled Americans. Bob strongly supported the Ticket to Work and Work Incentives Act of 1999, which expanded health coverage for persons with disabilities and created a new employment program through the Social Security Administration.

And I can attest to the fact that Bob's devoted leadership to assisting disabled Americans in his public life is matched by leadership in his private life.

In 1983, Bob attended a meeting of the Kansas Bankers Association in Dodge City. Waiting for him outside the room where two severely disabled young people with their parents. The young man was named Tim, and he was in a special wheelchair, unable to move anything except his eyes. The young woman, Carla, was only slightly more mobile. Both wanted to talk to Bob about gaining greater access to a more physically independent lifestyle.

Bob stopped to talk and to listen, and as his nervous aides looked at their watches and suggested he was running behind schedule, he stayed and talked and listened some more.

On his way back to Washington, Bob kept thinking about Tim and Carla. And when he arrived at our apartment he immediately told me how moved he was by the meeting. ''I've been meaning for years to start a foundation for the disabled,'' he said, ''and I haven't done it. This is the time''

In the years that followed, the Dole Foundation would raise over $7 million to address issues like job training and placement for disabled workers. One of the foundation's grants helped New York City's National Theater Workshop for the handicapped teach its members advanced communication skills. In Kentucky, a grant paved the way for a fast-food restaurant that employs the mentally retarded. Disabled students in Seattle were taught campground management skills, thanks to another Dole Foundation grant. A grant to Goodwill Industries of East Central North Carolina assisted the setting up of a Bank for people with disabilities—and in Raleigh, NC. A grant to Partnerships in Assisted Technology provided Internet training and support for people with disabilities.

The focus of that foundation is now being carried on at the Robert J. Dole Human Development Center at the University of Kansas in Lawrence. And the Dole Center for Disabilities and the Law at Washburn University in Topeka, KS, is leading the way in the study and analysis of the legal rights of individuals with disabilities.

I want to take a moment to give special recognition to two groups in North Carolina who deserve accolades for working every day to help those facing special challenges.

The North Carolina Office on Disability and Health has the noble goal of increasing awareness and understanding of the health related needs of individuals with disabilities. And the North Carolina Governor's Advocacy Council for Persons with Disabilities is a group that lives its motto: ''Every person is entitled to equal protection under the law.'' Both are changing lives in North Carolina, and I look forward to working with these agencies on issues that impact North Carolians with disabilities.

Bob Dole is a man of great modesty, and he is only learning of this speech as I speak. Bob doesn't talk about the number of young people who write to him for inspiration, telling him he is their hero. He always writes back or calls with words of encouragement, and often a pen-pal relationship develops.

One of Bob's former staffers, the very talented Kerry Tymchuk, now with Senator GORDON SMITH, has shared with me the story of Whitney Duggan. Whitney, a young girl from Oregon, was confined to a wheelchair due to injuries sustained in a horse riding accident. She wrote to Bob to express her thanks for his work on behalf of persons with disabilities and to encourage him in his 1996 campaign for the presidency. Bob responded, and he and Whitney were soon trading letters back and forth. Whitney and her mother eventually made their first visit to Washington, where Bob arranged tours of all the landmarks and lunch in the Capitol. Whitney became one of Bob's most loyal campaign volunteers, and sent words of encouragement to him when they were needed most.

Two days after the presidential election in November of 1996, Bob said to Kerry Tymchuk, ''I bet Whitney is feeling pretty low. Let's give her a call.'' And Bob called her up to make sure she wasn't taking the loss too hard. Here was a man who just 48 hours earlier had lost a Presidential election. And rather than thinking of himself, he was thinking about a young disabled girl in Medford, OR. That is Bob Dole.

I know my colleagues will agree with Bob in his belief that, despite all that has been accomplished, there is still much to be done. While we have eliminated many of the barriers the eye can see, there are still those we can't see and that no law can remove—barriers created by attitudes and misperceptions. Too often we overlook the talents of people with disabilities, whether they are physical or developmental.

The remarkable Helen Keller once said, ''One must not consent to creep when one feels an impulse to soar.'' To make further progress, we must insist that ignorance not be tolerated, and we must work to ensure that all Americans have a chance to soar as far, and fly as high, as their skills and talents will take them.

This mission is made all the more important by the ongoing courage and sacrifice of the men and women who wear the uniform of our country. As I traveled last week with President Bush to Camp Lejeune, in North Carolina, I was reminded of a time when Bob and I were dating, and he was visiting with my parents in Salisbury. Bob appeared one morning in the kitchen as Mother was preparing breakfast, with a towel draped over his right shoulder. ''Mrs. Hanford,'' he told my mother, ''I think you ought to see my problem.''

''That's not a problem, Bob,'' she told him. ''That's a badge of honor.''

As courageous American soldiers return home, some will be doing so with their own ''badge of honor.'' It is our duty to ensure that those who return with a disability have every opportunity to live a full and productive life.

It is very fitting that the state motto of Kansas is ''Ad astra per aspera''—To the stars through difficulties. Quite simply, I can think of no American who has done more in his life and career than Bob Dole to ensure that individuals with disabilities have the opportunity to reach their full potential.

In doing so, he has earned more than just the pride and admiration of a loving wife. He has earned the respect of a grateful nation and the enduring thanks of millions of individuals he will never meet, but whose lives are better and richer and more productive because of him.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

HONORING OUR ARMED FORCES

Mr. DEWINE. Madam President, I rise this morning to discuss a bill I believe the Senate will be taking up later today or possibly tomorrow. But before I do, I cannot come to the floor this morning without commenting about the magnificent work and service that our service men and women are doing in Iraq, and also the service men and women who are supporting our folks in Iraq. What an absolutely tremendous job they are doing, and how proud all Americans are of the work they are doing.

We are having an opportunity in this war, unlike any previous war in American history, to see, sometimes firsthand, the tremendous work they are doing.

As I talk to people in Ohio, talk to my colleagues, and talk to family members and friends, everyone is so proud of what they are doing.

Our hearts go out to the families of those who have lost their lives. We pray for them. We pray for those who have been injured. We pray for those who are recovering. And we think about them. We think about them every day.

THE CLEAN DIAMOND ACT OF 2003

Mr. DEWINE. Madam President, later today the Senate will take up a bill that the House has acted upon; that is, the Clean Diamond Act of 2003. There are many tragedies in this world, a lot of suffering. This bill deals with one of these problems. There are many atrocities that are occurring.

One area of the world where such atrocities are occurring on a daily basis is in Sierra Leone, Africa. For at least a decade, Sierra Leone, one of the world's poorest nations, has been embroiled in a civil war. Rebel groups—most notably, the Revolutionary United Front—RUF—have been fighting for years to overthrow the recognized government. In the process, violence has erupted as the rebels have fought to seize control of the country's profitable diamond fields which, in turn, helps finance their terrorist regime.

Once in control of a diamond field, the rebels confiscate the diamonds and then launder them onto the very legitimate market through other nearby nations, such as Liberia. We refer to these as ''conflict'' or ''blood'' diamonds. These gems are a very lucrative business for the rebel groups. In fact, over the past decade, the rebels have smuggled out of Africa, we estimate, approximately $10 billion in these diamonds.

It is nearly impossible, of course, to distinguish the illegally gathered diamonds from legitimate or ''clean'' stones. And so, Members of the Senate, regrettably and unwittingly, the United States—as the world's biggest buyer of diamonds—has contributed to the violence. Our Nation accounted for more than half of the $57.5 billion in the global retail diamond trade last year, and some estimates suggest that illegal diamonds from Africa account for as much as 15 percent of the overall diamond trade.

Since the start of the rebel's quest for control of Sierra Leone's diamond supply, half of the nation's population of 4.5 million have left their homes, and at least a half million have fled the country. But it is the children, as it usually is—it is the children—of Sierra Leone who are bearing the biggest brunt of the rebel insurgency. For over 8 years, the RUF has conscripted children—children often as young as 7 or 8 years old—to be soldiers in this makeshift army. They have ripped at least 12,000 children from their own families.

As a result of deliberate and systematic brutalization, child soldiers have become some of the most vicious—and effective—fighters within the rebel factions. The rebel army—child-soldiers included—has terrorized Sierra Leone's population—killing, abducting, raping, and hacking off the limbs of victims with their machetes. This chopping off of limbs is the RUF's trademark strategy. In Freetown, the surgeons are frantic. Scores of men, women, and children—their hands partly chopped off—have flooded the main hospital. Amputating as quickly as they can, doctors toss severed hands into a communal bucket.

The RUF frequently and forcibly injects the children with cocaine in preparation for battle. This is a picture of a little girl who, obviously, has had her arm amputated.

In many cases, the rebels force the child-soldiers at gunpoint to kill their own family members or neighbors and friends. Not only are these children traumatized by what they are forced to do, they also are afraid to be reunited with their own families because of the possibility of retribution.

Madam President and members of the Senate, I cannot understate nor can I fully describe the horrific abuses these children are suffering. The most vivid accounts come from the child-soldiers themselves. I would like to read a few of their stories—their own stories—taken from Amnesty International's 1998 report entitled: ''Sierra Leone—A Year of Atrocities against Civilians.'' According to one child's recollection:

> Civilians were rounded up, in groups or in lines, and then taken individually to a pounding block in the village where their hands, arms, or legs were cut with a machete. In some villages, after the civilians were rounded up, they were stripped naked. Men were then ordered to rape members of their own family. If they refused, their arms were cut off and the women were raped by rebel forces, often in front of their husbands . . . victims of these atrocities also reported women and children being rounded up and locked into houses which were then set [on fire].

A young man from Lunsar, describing a rebel attack, said this:

> Ten people were captured by the rebels and they asked us to form a [line]. My brother was removed from the [line], and they killed him with a rifle, and they cut his head with a knife. After this, they killed his pregnant wife. There was an argument among the rebels about the sex of the baby she was carrying, so they decided to open her stomach to see the baby.

According to Komba, a teenager:

> My legs were cut with blades and cocaine was rubbed in the wounds. Afterwards, I felt like a big person. I saw the other people like chickens and rats. I wanted to kill them.

Rape, sexual slavery, and other forms of sexual abuse of girls and women have been systematic, organized, and widespread. Many of those abducted have been forced to become the ''wives'' of combatants.

According to Isatu, an abducted teenage girl:

> I did not want to go; I was forced to go. They killed a lot of women who refused to go with them.

She was forced to become the sexual partner of the combatant who captured her and is now the mother of their 3-month-old baby:

> When they capture young girls, you belong to the soldier who captured you. I was ''married'' to him.

Look at how some of these children have depicted themselves, the violence and bloodshed in their own drawings. That is how they depict it. Children strike at the heart of what they see and, more importantly, what they feel.

We are losing these children, an entire generation of children, if the situation is not improved. These kids have no future. But as long as the rebel diamond trade remains unchallenged, nothing really will change at all. That is why. I have been working with Senator DURBIN, Senator FEINGOLD, Senator GREGG, and so many others in the Senate and the other body for over 2 years to pass legislation that would help stem this illegal trade in conflict diamonds. I thank Senator GRASSLEY for his good work. Together we have worked extensively with our House colleagues, including my good friend and former colleague from Ohio, former Congressman Tony Hall. We have also worked with a champion in this area, my good friend, FRANK WOLF from Virginia.

We have worked to develop much needed legislation to help remove the

rebel's market incentive because that is what you have to do is to get rid of the incentive. While we have not yet been successful in getting this legislation signed into law—not yet—I credit my colleagues' continued commitment to this often forgotten issue. I know our countless congressional hearings and meetings, letters, and legislative initiatives have encouraged the administration and the international community to keep this issue alive. I thank those in the administration who have kept the issue going and worked so very hard. We have kept the pressure on. We are beginning to see very positive results.

Just this past January, an international agreement called the Kimberley Process Certification Scheme was launched. Specifically, this is a voluntary international diamond certification system among over 50 participating countries, including all of the major diamond producing and trading countries. This is a positive step. I commend the tireless work of human rights advocates and the diamond industry for making this certification system a reality.

Because of their success, today we are faced with the urgent need of providing legislative measures to enable effective U.S. implementation of the certification scheme. We need to provide the administration with the authorization necessary to ensure U.S. compliance with this global regulatory framework. This is why last week I joined with my distinguished colleagues and my friends—Senator GRASSLEY, Senator DURBIN, Senator FEINGOLD, Senator BAUCUS, Senator BINGAMAN, Senator GREGG, and several additional cosponsors—to introduce the Clean Diamond Act, legislation that commits the United States to mandatory implementation of the Kimberley Process Certification. This legislation is similar to a measure passed just last night in the House of Representatives, H.R. 1584. I am optimistic we can pass this legislation in the Senate very shortly, possibly even as early as today.

The whole idea behind this is to commit the United States to a system of controls on the export and import of diamonds so that buyers can be certain their purchases are not fueling the rebel campaign.

I know there is not one person in this country who goes in and buys a diamond with the intention to fuel a rebel campaign. No one wants to do that. This is a way we can ensure buyers they are not doing that.

Specifically, our legislation would prohibit the import of any rough diamond that has not been controlled through the Kimberley Process Certification Scheme. Put simply, this means every diamond brought into the United States would require a certificate of origin and authenticity to indicate the rebel or terrorist group has not laundered it on to the legitimate market.

Additionally, the bill calls on the President to report annually to the U.S. Congress on the control system's effectiveness and also requires the General Accounting Office to report on the law's effectiveness within 2 years of enactment.

Finally, our bill emphasizes the Kimberley Process Certification Scheme is an ongoing process and that our Government should continue to work with the international community to strengthen the effectiveness of this global regulatory framework. As the world's biggest diamond customer, biggest consumer, purchasing well over half of all the diamonds purchased in the world, our Nation has a moral responsibility to show continued leadership on this issue. Quite candidly, there are a lot of terrible, tragic things going on we don't have the power to change or fix or have much impact on at all, but today in the Senate we can have impact on this issue. We can make a difference. We have the power to help put an end to this indescribable suffering and violence caused by diamond-related conflicts. We have that power, and we must use it.

I urge my colleagues to join me in support of this much needed legislation. We have a moral obligation to help stop the violence, help stop the brutality, and help stop the needless killing and the maiming going on, to help stop the victimization of these children.

No other child should kill or be killed in diamond-related conflicts. I believe it is absolutely imperative that we pass the bill we have introduced and pass it quickly to help end these atrocities once and for all. It certainly is the humane thing to do. It is the right thing to do. It is the only thing to do.

Mr. LEAHY. Mr. President, when I pick up the newspaper, turn on the radio, or watch television, almost all of the media's attention is, understandably, focused on the war in Iraq. As a result, some important issues in other parts of the world are being overlooked or unreported. I want to call attention to some good news that has received very little attention: Congress has made some much needed progress on the very important issue of conflict diamonds.

The role of diamonds in fueling brutal conflicts in Africa and funding terrorism is well documented, so I will not take much time recounting this history. Suffice it to say, that it is a critical problem and deserves serious attention and resources from Congress, the Bush Administration, and the international community.

It is also well known that the diamond industry, key nongovernmental organizations (NGOs), and a number of governments came together to create an international regime aimed at stopping the trade in conflict diamonds, called the Kimberley Process. In January 2002, the process was launched and now the individual countries involved need to pass implementing legislation.

It is important that the Congress pass legislation before the next Kimberley Process Plenary Meeting on April 28, 2003, to ensure that the United States continues to play a leadership role on this issue.

However, the timing of the bill should not be the only factor. The legislation needs to reflect not just the wishes of the administration but also the views of a bipartisan group of Senators, including Senators DURBIN, DEWINE, FEINGOLD, GREGG, and BINGAMAN, who have been working on this issue for years. The bill must also incorporate input from a wide range of NGOs, from Oxfam to Catholic Relief Services, that have dealt first-hand with the devastating consequences of conflict diamonds.

S. 760, the Clean Diamonds Trade Act, does just that. I rise today to support this legislation. And assuming that a word in the section concerning the Kimberley Process Implementation Coordinating Committee is changed, I also support the House companion, H.R. 1584, which is virtually identical to S. 760.

I commend Senators GRASSLEY and BAUCUS for producing a solid, bipartisan bill to implement the Kimberley Process Certification Scheme (KPCS), an international system designed to ensure that rough diamonds entering the United States are legally mined and traded.

When we began drafting this bill several months ago, the administration's proposed legislation was little more than hortatory. It was filled with permissive authorities that would have required the administration to do virtually nothing. It essentially said: ''Thanks, but we'll take care of the problem by ourselves.''

Through a consultative, bipartisan process, Senators GRASSLEY and BAUCUS worked with interested Senators, the NGO community, and the diamond industry to shape the administration's proposal into meaningful legislation that contains a number of important provisions.

For example, the bill contains a prohibition of the importation of rough diamonds; requires Government oversight of the U.S. Kimberley Process Authority—the industry body responsible for issuing certificates for U.S. rough diamond exports; and includes reporting requirements that can be used to gauge the effectiveness of the system and monitor attempts to circumvent it. In the administration's original proposal, these provisions either did not exist or were seriously watered-down.

While S. 760 is a good bill and is one that I am pleased to cosponsor, there is room for improvement.

There is nothing in this legislation that deals with polished stones. As a result, if an exporter were to make just one ''cut'' to a diamond it would be exempt from KPCS and the implementing legislation. I also think improvements can be made to the criminal penalties

language, the provision on statistics collection, and a handful of other sections.

But we all know that no bill is perfect and no Senator gets everything he or she wants in a broad, bipartisan bill. I mention these shortcomings, not to criticize the efforts of the authors of the bill, but rather for two important reasons.

First, the shortcomings in the S. 760, as well as the KPCS itself, highlight the fact that Kimberley is an ongoing process and that additional regulations, legislation, and other measures will be necessary in the future. I am very pleased that Senators GRASSLEY and BAUCUS have included a sense of Congress in S. 760 that says just that.

Second, because the legislation gives the administration a good deal of flexibility, it is imperative that the State Department, Treasury Department, and other agencies follow through and implement the KPCS in an effective and timely manner. I can assure you that those of us who are co-sponsors of this legislation will be working to ensure this happens.

As I have said with countless other pieces of legislation, you can have the best bill in the world, but it is not worth a whole lot if Congress and the administration do not put the resources behind it.

I applaud the authors of the bill for including a Section in the bill that authorizes the President to provide technical assistance to developing nations seeking to implement the KPCS. But, it is up to the Appropriations Committee to make sure this initiative is funded.

As ranking member of the Foreign Operations Subcommittee, I included a provision in the fiscal year 2003 bill that appropriated $2 million for this purpose. However, I have been informed that it is unclear if the State Department plans on utilizing these funds for their intended purpose, and that the Department might transfer it to other programs.

This would be a big mistake. In order to effectively implement Kimberley, extremely poor nations, where diamonds are mined, will have to set up viable export-control and law enforcement systems. Many of these nations simply do not have enough resources to do this.

Because of the links between conflict diamonds and terrorism, as well as human rights and humanitarian concerns, it is important that the United States provide technical assistance in order to have the most effective system possible. If providing a small amount of funding helps strengthen the KPCS, we should do it.

Some in the administration might ask how one would go about implementing such a program.

Those who ask those questions need to look no further than two programs that the U.S. Government has implemented in the past.

The United States Agency for International Development supported a successful program in Sierra Leone to improve controls associated with the mining and export of diamonds. In addition, the United States provides technical assistance to nations to implement the World Trade Organization agreement. I am confident that these two programs can provide a model for the use of these funds.

Americans buy 65 to 70 percent of the world's diamonds, including rough diamonds, polished stones and jewelry containing diamonds. It is up to the United States to provide leadership on this very important issue. Without us, the world will not make the kind of progress it needs to on this and other human rights related matters.

This should not be hard for us to do. It is in our security interests. It is in our humanitarian interests. It is in our economic interests.

With the passage of the Clean Diamonds Trade Act, Congress will take an important step forward. There is much more work that needs to be done, but I am confident that it can be done.

In closing, I would like to thank some of those involved with this effort, including Everett Eissenstat and Carrie Clark of Senator GRASSLEY's staff, Shara Aranoff of Senator BAUCUS' staff, Randy Soderquist of Senator BINGAMAN's staff, Laura Parker of Senator DEWINE's staff, and last but certainly not least Cara Thanassi of Oxfam America. Without the help of these individuals, this bill would not have made it to first base. I thank them for their hard work.

EMERALD ASH BORER

Mr. LEVIN. Madam President, over the past 450 years, more than 6,500 nonindigenous invasive species have been introduced into the United States and have become established, self-sustaining populations. These species—from microorganisms to mollusks, from pathogens to plants, from insects to fish—typically encounter few, if any, natural enemies in their new environments, and as a result they can wreak havoc on native species. Invasive species threaten to biological diversity. Some experts consider invasive species and the ecological damage they cause to be a greater environmental threat worldwide than chemical pollutants. Estimates of the annual economic damage caused nationwide by these species go as high as $137 billion.

In my home State of Michigan, there is a disaster unfolding which could dramatically increase this cost. For the past few years, scientists have been concerned with the unusually high number of dead and dying Ash trees in the metro-Detroit area. Late last summer, scientists determined that the problem is caused by a beetle which came into the country from Asia: the Emerald Ash Borer. This beetle is indigenous to Asia and has been found in China, Korea, Japan, Taiwan, Mongolia and Eastern Russia.

Like other invasive species, the Emerald Ash Borer is destroying native species. While scientists believe that the insect came into the country as little as five years ago, it has already left millions of trees in the Detroit area dead or dying. Since there is no economically feasible manner to treat trees, there is concern that all of the Ash trees in the Detroit area will be dead within 5 years.

In order to stop the spread of the Ash Borer, last summer the Michigan Department of Agriculture imposed a quarantine to stop Ash trees, logs and firewood as well as Ash tree nursery stock from being removed from Wayne, Oakland, Macomb, Washtenaw or Livingston countries in Southeastern Michigan. Later in the fall, Monroe country was added. The Michigan Department of Agriculture is currently working with the U.S. Department of Agriculture on the creation of a program to potentially eradicate the Emerald Ash Borer, yet funds from USDA, for a comprehensive effort, have yet to be provided.

The presence of this beetle has been allegedly reported in other parts of Michigan, and the beetle has recently been positively identified in Toledo, Ohio and Windsor, Ontario. Ohio, Indiana and the Province of Ontario, Canada, are very concerned about the spread of this pest, and the web-sites of their respective Departments of Agriculture have contained warnings about the beetle. Now, with the presence of the beetle in Toledo and Windsor, those fears have increased.

One proposal for stopping the spread of the Emerald Ash Borer would be to create a ''fire break'' by removing trees in a ring around the affected area. Since scientists believe that this beetle can only fly three miles, such an approach, which is already underway in the area surrounding Windsor, Canada, could be successful. However, doing so would be expensive and money is desperately needed not only for beetle eradication and tree removal but also for research.

While the effects of the Ash Borer on Southeast Michigan have already been devastating, the potential results of the beetle's spreading could be catastrophic. As one of the most popular urban trees, Ash trees are found across much of the country. This invasive pest has the potential to be as destructive as the historic Dutch Elm Disease. The sad irony is that Ash trees were planted in place of many of the Elm trees that our State and Nation lost years ago. Should the Ash Borer spread continue, the Forest Service estimates that the potential impact could affect ''up to 2 percent of total leaf area and could impose a value loss between $20–60 billion.'' This number is arrived at without including the cost of replanting deforested areas.

This devastation has already crossed state borders and will cross more unless dealt with. State and local governments cannot be expected to deal with

it. They also face budget shortfalls that are necessitating drastic cuts in basic services because of declining revenue, increasing demands and extensive budget constraints. They are having trouble funding existing obligations to schools and police forces even without having to pay to address the new multi-State threat posed by the Emerald Ash Borer. I have received letters from cities in Michigan, civic organizations and from the Southeast Michigan Council of Government, or SEMCOG, which represents 151 local governments in the region all asking that the Federal Government take an active role in stopping the spread of the Emerald Ash Borer. Without such active and timely support, coordination and funding from USDA, it is unlikely that this problem can be adequately addressed.

SEMCOG has stated that ''the Emerald Ash Borer is decimating the Ash tree population in a 2000 square mile core area within the counties of Wayne, Oakland, Macomb, Livingston and Washtenaw.'' Michigan State Senator Raymond Basham and State Representative Glenn Anderson have written to me about this problem. In his letter to me, Representative Anderson said that ''Michigan is facing another round of budget cuts at the local levels and local communities simply will not be able to afford the added burden of removing and replacing these trees.'' Adding to this burden is the fact that local governments are required to remove these trees from rights of ways and government properties because dead trees create significant public health risks and liability issues for property and personal damage.

Governor Granholm has worked hard to support cooperative efforts that are underway between the State of Michigan and United States Departments of Agriculture. In meetings with her, she has said that USDA funding is essential to address this problem.

If the spread of the Emerald Ash Borer is not arrested, it will cost billions of dollars to pay for the removal of dead Ash trees and the replanting of new trees. The costs associated with the loss of the Ash tree are not merely financial in nature. Habitat will be destroyed, scenic vistas will be denuded and residential streets that were once tree-lined will no longer have needed shade.

It is critical that we address the Emerald Ash Borer before it is able to spread across a greater area. It is essential that the United States Department of Agriculture complete its efforts to provide much-needed emergency funding to address the Emerald Ash Borer. The Michigan delegation has written twice to Agriculture Secretary Ann Veneman about this matter. In these letters, the Michigan delegation has stated that without ''swift and sure action, the entire ash tree population will be lost. To avoid this tragedy, we asked that USDA provide funds to ''determine the problem's extent,'' and ''for combating and eradicating this invasive species.''

It is imperative that the USDA provide $17 million in Fiscal Year 2003 emergency funds from the Commodity Credit Corporation to combat the Emerald Ash Borer and that the Office of Management and Budget approve these funds as expeditiously as possible. Additionally, USDA should provide research monies that would enable USDA's Animal Plant Health Inspection Service and the Forest Service's North Central Research Station to work with Michigan State University, Michigan Technological University and other world-class schools of forestry to fund vital research into this problem. The beetle's larvae hatch in the Spring, and while it may not be possible to kill this year's hatch of beetles, time remains of the esssence if the Emerald Ash Borer is to be eradicated. Addressing the matter now will be costly, but delays in addressing the matter will only increase the costs and diminish the likelihood of success.

The Emerald Ash Borer's spread can be halted, but action must be taken quickly. It is for that reason that I urge Secretary Veneman to immediately provide the emergency and research funds that will be a vital component of any effort to address the problems created by this persistent pest.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

Mr. FRIST. Madam President, I will be speaking on leader time over the next few minutes.

The PRESIDING OFFICER. The Senator has that right.

THE CARE ACT

Mr. FRIST. Madam President, I rise to speak on the CARE Act. I applaud my colleagues, Senators SANTORUM, LIEBERMAN, GRASSLEY, and BAUCUS, for bringing this bipartisan bill to the Senate floor.

The CARE Act comes none too soon. Charities across America are indeed facing tough and challenging times. A sluggish economy, which we all feel in our communities, is hampering in many ways their ability to secure funds to operate. This bill, which we will pass shortly, will help change that. It is not a total solution but will help move in the direction to change that.

I take a moment and ask the question, Why are we doing this bill? This bill is about recognizing that Washington does not have all of the answers; that we in this body do not have all of the answers; that our Government does not have all of the answers to America's problems. But America, her people, and her spirit, all throughout this land do have the answers.

Some in Washington, on the right and on the left, prefer to address social problems with legislative solutions. But many of our Nation's problems simply do not reduce themselves to a solution that can be devised in the U.S. Congress, in the legislature itself. What they need are neighborhood solutions, solutions that begin to address problems that are identified in local communities, that are addressed locally, that are addressed by communities and neighborhoods, solutions that are not delivered by a form letter from a government bureaucrat, but from the hand of somebody in that neighborhood—a local neighborhood, someone who really cares, who understands the problem locally.

I am thinking of a wonderful charity down the street from here. For 20 years the volunteers of the Neighborhood Learning Center at the corner of 9th and Maryland have been tutoring at-risk children. They do so without fanfare, without a lot of publicity, without Federal funds. They are faith-based and their service is motivated by their love of God. They are making a difference—yes, one child at a time.

I think of LeSharon, who herself was tutored when she was a girl from a broken family. A few years later, LeSharon was back at the center but this time as a college graduate and one of their instructors. That is exciting. Or I think of the Room in the Inn program in my hometown of Nashville, TN. Over 125 congregations provide nightly housing for homeless adults and children. This is a tangible and compassionate response to human need.

These charities, like the Neighborhood Learning Center, like the Room in the Inn program, are only small rays of light in our American landscape. Their service is only part of what makes us a strong and a vibrant Nation. Almost 200 years ago Alexis de Tocqueville warned: The morals and intelligence of a democratic people would be in as much danger as its commerce and industry if ever a government wholly usurped the place of private associations.

What de Tocqueville understood was that the house of a democratic nation does not stand by just government. A healthy nation needs vigorous private associations, charities, and civic clubs all coming together. The CARE Act recognizes this vital fact. That is why it helps to foster private charity in our Nation. It encourages more charitable giving—of money, of food, of art, or securities. It provides incentives for low-income people to begin saving for a house, a business, or education. And it

helps small charities learn how to access Federal grants to further their work.

Some might suggest America's problems are much bigger than what the CARE Act can handle, that they demand larger and grander solutions. But I respond that America's problems—problems like malnourishment, illiteracy, domestic violence, broken families, teen pregnancies—are problems that are too big for Government to fix. Some problems are so large that all the money in the world simply will not fix them. So many of these problems are rooted in the soul and Government cannot fix problems of the soul. But people can. And God can.

This bill empowers people, real people rooted in their communities, rooted in their churches, rooted in their synagogues, rooted in their mosques, to help, to reach out to their neighbors. And that kind of help is the type of help that changes hearts.

It is hard to feel loved when you are getting a handout from a government bureaucrat. But receiving a cold cup of water from a volunteer touches your heart, it changes you, and it changes the person giving that help, as well. For years I have had the wonderful opportunity, indeed the real privilege, of being able to travel to Africa to conduct and participate in medical missions. When I go to Africa, I don't go as a Senator. I go there as a physician, as a person of faith, as a neighbor, as a friend, as a person who cares about others throughout the world. Those trips have changed me as much, I promise, as they have changed any of the people I have helped.

My hope, today, is that we help invigorate what Edmund Burke called those ''little platoons,'' those private associations that help us love our country, our fellow human beings. We need to strengthen the quiet but profound work of the little platoons of nonprofit agencies, of groups like the Neighborhood Learning Center, the Church of the Brethren Soup Kitchen, or the Room in the Inn. And when we strengthen them, we strengthen America.

Will the CARE Act cure all our problems? No. Sadly, no, of course not. But it will help us to help ourselves help others. Let's get this good bill moving to the President's desk. It will form a strong part of his faith-based initiative. I know the House is committed to moving quickly on a companion bill. I hope we can continue to work together across party lines to empower America's charities and to empower people throughout the country.

I yield the floor.

CARE ACT OF 2003

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 476, which the clerk will report.

The legislative clerk read as follows:

The bill (S. 476) to provide incentives for charitable contributions by individuals and businesses, to improve the public disclosure of activities of exempt organizations, and to enhance the ability of low-income Americans to gain financial security by building assets, and for other purposes.

Pending:

Grassley/Baucus Amendment No. 526, to provide a manager's amendment.

The PRESIDING OFFICER. Under the previous order there will now be 30 minutes equally divided for general debate.

Mr. GRASSLEY. Madam President, the amendment by Senator NICKLES is in order, is that right?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. Senator NICKLES will offer his amendment in just a minute. He asked if I would do my speaking on that amendment at this point. I am very happy to do that.

I appreciate my friend's continued efforts to reform and reduce long term capital gain tax on real estate. And Senator NICKLES is correct—by excluding 25 percent of the capital gain on the sale of property we reduce the effective capital gain rate on sales for conservation purposes.

However, that is not the purpose of the provision. We intend to preserve precious, environmentally sensitive land from ever being developed. I need not remind my fellow Senators that they are not making any more land and if we do not preserve sensitive wetlands and open space from development it will be lost forever and all of our children and grandchildren will suffer from our lack of responsibility.

Senator NICKLES' amendment would literally make it easier to develop the very land we are attempting to preserve. That is certainly not the intent of this provision. I will be voting no and I strongly urge my fellow Senators to also vote no on Senator NICKLES' amendment.

I would like to take a few minutes to review the long history of this important provision. As you all know, the President's budget has included this proposal. In all of his budgets, in fact, the President actually continues to propose the exclusion of 50 percent of the capital gain for the sale of property for conservation purposes. So by comparison, this 25 percent proposal is modest, but still addresses the President's priorities.

In addition, the Senate Finance Committee has a long history of building support. In both the 106th and 107th Congresses, we held hearings specifically discussing this proposal. We had witnesses from the forests of Maine to the wetlands of Louisiana and the ranches of Arizona. Besides, this effort brings about bipartisan support for the issue.

Not only have we heard huge support for this provision from all the traditional conservation organizations, like the Nature Conservancy and the Land Trusts and Iowa's own Heritage Foundation, but I know both I and Senator BAUCUS continue to receive very vocal support from the farmers and ranchers who populate our States. Both the Farm Bureau and the Cattleman's Association have let us know that this gives our citizens choices to stay on the land and yet preserve the open space.

The opportunity to give an easement, preserve our farm and ranch lifestyles and give up the right to ever develop the land is important public policy and I urge my fellow Senators to vote no on Senator NICKLES' amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I think it is important at the outset to know we are including in the CARE bill incentives to help provide charitable contributions for good voluntary purposes, and I think this bill should continue to honor that thrust. The amendment before us does not. The amendment before us essentially is a capital gains tax amendment and applies generally to all property that would be sold. I think this is not the place for that kind of amendment.

The underlying provisions of the bill provide that taxpayers who voluntarily sell land to a qualified conservation organization can exclude 25 percent of the gain on that sale from capital gains tax. The purpose, obviously, is to help people, most of whom are land rich and cash poor and do not have much income from their ranching or farm operations—to help by transferring the property to a conservation organization.

There are many organizations in this country—a lot in my State of Montana—such as the Nature Conservancy, lots of very good, solid organizations which take land and save it for conservation purposes. This is very important because our country is losing a lot of land to development each day, each year. In fact, in the United States about 2 acres of farmland per minute, or about 1 million per year, are lost to development; that is, shopping centers and new homes or what-not that are just taking away some of the natural land that we have in our country and converting it at a very rapid rate to shopping centers and developments.

That is part of America. We need to build shopping centers. We need to also build new homes, housing tracts, and so forth. But we also need to remember there are other values in our country, and those are protecting open space and protecting farms and ranches. A lot of our farms and ranches are under great stress. I know the Presiding Officer knows that is true in her home State as is the case in every State.

We are trying to figure out a balanced way to help those farmers and ranchers donate a portion of their land to a conservation organization. They cannot do that today because they have no income. Because they have no income, they can't take the usual charitable deduction. To help them, we are saying you don't have to worry about the charitable deduction; you can still

get a little bit of benefit because we will exclude 25 percent of the gain. It is extremely important.

I might point out, this is actually a little less generous than provisions suggested by the President. The President, in his budget, suggested an appreciably larger exclusion for this very purpose.

The amendment before us, though, is not geared at all toward conservation. Essentially, it provides the same benefit, a 25-percent exclusion that would be available to anyone who sells property for any purpose. It does not have to be conservation. It would be pretty expensive, I might add, too—about a $1.4 billion additional cost to the Treasury.

I understand the concerns the Senator has, but this is just not the time or place for capital gains tax reform. This is, rather, a CARE bill, a bill that is encouraging conservation, encouraging charitable giving. I urge my colleagues to not accept the amendment because I do not think it is properly placed in this bill.

I reserve my time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I compliment both my colleagues from Iowa and Montana for bringing up this bill.

AMENDMENT NO. 527

(Purpose: To exclude 25 percent of gain on sales or exchanges of land or water interests to any nonprofit entity for any charitable purpose)

Madam President, this bill has a lot of good provisions in it. It has two provisions of which I question the value. I decided to do one amendment.

One of the ones I question is, how much good does the above-line deduction do? If you are an individual, you have to donate $500, and you get a $250 deduction. So if you are in the 25-percent tax bracket, that means you get to save $62. And we add a lot of complexity to the Tax Code in the process. So I question the value of that.

There are several other provisions in the bill that are good—donations from IRAs to charities. The purpose of the bill is to increase donations to charities. I compliment the thrust of that. I compliment the President for trying to enact it.

I am disappointed this bill does not do more for allowing charitable and/or religious groups to be eligible to participate in Federal programs. That is not in the bill. I am not faulting anybody. I compliment Senator SANTORUM because he worked tirelessly to get this bill forward. And I, as a legislator, am willing to take half a loaf.

I think the Senator from Pennsylvania has about half of his original bill. I compliment him. He has been tenacious. I also compliment my colleague, Senator LIEBERMAN, because he is a cosponsor of the bill. I worked with him on other legislation, including the religious liberty, freedom bill that we cosponsored some time ago.

One of the provisions I am trying to amend right now is a provision that says you will have a 25-percent reduction in capital gains tax if you sell property for land conservation or sell to an organization that qualifies for land conservation. I question the wisdom of doing that. I say, if we are going to have a 25-percent reduction in capital gains tax for charitable purposes, make it for all charities.

I happen to be a big fan of Nature Conservancy. They have a big facility in my State, with a lot of land, a big buffalo farm or ranch. I helped create that. The Nature Conservancy gets support from lots of corporations all across the country and my State as well. I support that.

But what I question is, if we want to help charities, let's help all charities, so if people want to sell land to the Red Cross, they would get a 25-percent reduction as well, or if they want to sell land to a church—and the church may want to build a parking lot or build a bigger church on that land—let's give them the 25-percent reduction.

Why should we say: Well, you are going to get a lower tax rate only if you sell to the charity we choose. That is land conservation? I question the wisdom of that. I do not like trying to micromanage, in the Tax Code, how people are going to spend their money.

So I would encourage our colleagues, let's help all charities. I do not think you can defend saying: Well, I think it is fine to donate land to the Nature Conservancy or to the Sierra Club or to the Land Trust Alliance or a lot of little groups that are going to be created as a result of this—you don't donate the land; you sell the land—you can donate your land to anybody in the country—but if you want to sell your land, you can sell it to this group, and you are going to get a 25-percent reduction in your capital gains tax. So we would rather give you that if you sell it to the Nature Conservancy but not sell it to the First Baptist Church in rural Iowa. To me, that does not make sense. Or if you want to help the Red Cross—and the Red Cross has a nice facility in Oklahoma, thanks to the Presiding Officer—and they need land, and if a farmer wants to sell that land—they could not afford to donate it, but they wanted to sell it—why would we say: You can only sell it for land conservation, and we will give you a 25-percent reduction in your tax bill. But if you want to sell it to the Red Cross, or if you want to sell it to a church, or if you want to sell it to a children's hospital, no, we are sorry, you are out of luck. Congress decided that charity does not deserve the same tax benefits as land conservation.

I disagree. I say, if we are going to give a lower capital gains tax rate, and this would be 15 percent—frankly, I think we should do it for all Americans, but if we are going to do it for one charity or two or three charities, let's do it for all charities.

So that is the essence of my amendment. If we are going to have a lower capital gains tax rate on some charities, let's make it available for all charities.

We have offsets in this amendment. It does not increase the deficit. I urge my colleagues to support the amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Madam President, is the amendment pending?

The PRESIDING OFFICER. No.

Mr. NICKLES. Madam President, I apologize. I send the amendment to the desk and thank my colleagues for their cooperation. I thought the amendment was pending. I apologize to my colleagues.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 527.

Mr. NICKLES: Madam 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 printed in today's RECORD under ''Text of Amendments.'')

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Montana.

Mr. BAUCUS. Madam President, I believe the Senator from Connecticut would like the floor. I yield to him such time as he wishes to consume.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, I thank my friend from Montana.

I rise to speak in favor of the CARE Act, the Charity Aid, Recovery, and Empowerment Act. This began as an attempt to give support to faith-based groups to perform good works.

CONGRATULATING THE UCONN WOMEN HUSKIES

If I may use that as a segue for a seemingly unrelated comment, I want to express this morning the pride and exultation of the people of Connecticut whose faith in our UConn Women Huskies was vindicated last night as they achieved an extraordinary victory over a very tough and proud Tennessee team. The UConn Women won another national championship for the UConn Women Huskies, the fourth in the program's history.

My congratulations to Coach Geno Auriemma, Assistant Coach Chris Dailey, and the great UConn women who rebuilt a lot of young talent that came together and made us all proud. They set an extraordinary example for young women all over America who, like my 15-year-old daughter, love basketball, love to play it, and are inspired by the skill and grit and team spirit of the UConn Women Huskies.

So our faith was redeemed, and you give us faith, Lady Huskies, as we go on.

Returning to the CARE Act, I must say that I am proud and, in some senses, relieved to join my colleagues in supporting this act. This act is a compromise version of the initial faith-

based and community initiative. It comes to the Senate floor after a difficult path. But the important point is that we are here.

This is a different plan than the President originally proposed. It is different than the plan that Senator SANTORUM—who I have been so pleased to work with as lead cosponsor with him—and I negotiated with the White House to address concerns that were blocking its initial movement.

Perhaps most notably, it no longer contains any provisions targeted specifically at carving out a larger lawful space for faith-based groups in our social service programs. But despite this evolution, the heart of the proposal remains the same; and I guess, I would add, the soul of the proposal remains the same as well.

That is why the CARE Act enjoys overwhelming support from America's philanthropic community, with endorsements from more than 1,600 charities of all sizes and denominations, as well, as we can see, strong bipartisan support here in the Senate. And that is why I feel confident this measure will help transform the spirit of good will in America today into more good works at a time of growing hardship and make this country as good as its values are.

Any doubt about the vitality of America's spirit was firmly laid to rest on September 11, 2001, when so many Americans gave so much and all of us collectively embraced the values of compassion and community. But if we truly hope to keep moving America closer to our founding ideals, we have to extend that commitment to helping those who continue to live in a different type of need—children living in poverty and despair; drug addicts desperate for treatment and a better life; low income working families who are struggling for self-sufficiency.

Our Government, of course, runs many programs at the Federal, State, and local levels that aim to fill those needs as best they can by establishing a safety net. But all of us here, regardless of party or geography, recognize that Government can't do it all on its own, nor should it. We have long relied on a wide network of private charities and social service providers, community organizations and religious groups, what you might call the sinews of our civil society, to partner with the public sector, to fill in the gaps of the Government's reach and, in particular, to target aid to local priorities and problems. That is what this bill will do.

We start with a new focus on building and leveraging the capacity of the small faith-based and community organizations who are often in the best position to help people in need because they are closest to them. But in many cases, they don't have the technical wherewithal to find the public resources to do so. So to help those groups, the CARE Act creates a Compassion Capital Fund authorized at $150 million a year that will underwrite a wide range of technical assistance efforts. But the bill goes beyond just expanding the pool of applicants and enlarges the pie of resources that is available to America's charities and social services providers. That will be particularly critical at this difficult time in our Nation's economic history when charities are stretched.

I saw an article in the paper in the last 24 hours that said the United Way expects a significant drop in its fundraising this year because of the economic problems America faces. I hope and believe this bill will create the incentives for more giving to the United Way and a host of other charities, national and local. It will do so by creating several well targeted tax incentives over the next years that total $10.6 billion which, working from the general rule that most tax incentives are worth about 30 cents on the dollar to a taxpayer, should lead to new donations to charities, community-based, faith-based, of more than $30 billion over the next 10 years. How much good will come from that is wonderful to contemplate.

Part of the CARE Act that may make as big a difference and of which I am particularly proud is the $1.3 billion increase in Social Service Block Grant (SSBG) funding over the next 2 years. The CARE Act will finally make good on our commitment by restoring SSBG funding to its authorized level of $2.8 billion over the next 2 years and in so doing would empower charities across the country to do good for so many people in need.

I want to mention one other provision in the bill which has been a labor of love for me and Senator SANTORUM. That provision would expand on the use of innovative savings accounts, known as Individual Development Accounts (IDAs), to help low-income working families build wealth and achieve financial self-sufficiency. There have been a number of IDA demonstration projects around America that have proven successful in making home ownership, college, and small business not just a dream but a reality for thousands of low-income people nationwide. The CARE Act aims to build on those successes and significantly increase the availability of IDAs by offering America's financial institutions new incentives to help low-income families who want to save for their future which represents a whole new strategy in fighting poverty. It is based on a growing body of research that shows the best path to the middle class comes not just from hard work but also through savings and asset accumulation.

In sum, this CARE Act represents a comprehensive response to a complicated problem. That is why it is broadly and enthusiastically embraced by charities all over America. This bill puts our shared values into action by elevating the priority we place on helping our most vulnerable citizens. For that I thank my colleagues for their support.

I particularly thank Senator SANTORUM with whom it has been a pleasure to work in this long-time effort. His dedication, his commitment, his faith, his persistence, and his willingness to accommodate and reach common ground is a good part of the reason why we are on the verge of this very significant accomplishment. I thank the leaders of the Finance Committee, Senator GRASSLEY and Senator BAUCUS, and I thank my leader, Senator DASCHLE, who worked with us as we negotiated this logjam-breaking compromise with the administration and then pushed hard among our ranks to have this bill considered on the Senate floor. Senator DASCHLE's staff, particularly Jennifer Duck and Andrea LaRue, has been indispensable to this mission.

Finally, I thank my own staff for the dedicated work they have done on this exceedingly challenging but important legislation. Specifically, I am grateful to Laurie Rubenstein, Debbie Forrest, Dan Gerstein, Chuck Ludlam, and Michelle McMurray. We could not have passed the bill without them.

I urge my colleagues to support the bill and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I yield such time as he might consume to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank my colleague from Connecticut for his kind remarks and for his steadfast support. It was a struggle and took a lot of persistence. That is a virtue we have seen exhibited on this legislation. He has been persistently for it, has worked diligently to find the common ground. That is what this legislation is all about—finding common ground. We have seen very strong bipartisan support for the bill. It is nice to see that every now and then on the floor of the Senate. We will help people who are in need of help, people who are out there serving our fellow man. It is a good day in the Senate that we are doing something positive to help those in need in society. We are doing it in a bipartisan way, and we are doing it in a fiscally responsible way. It is a win-win-win across the board.

I thank my leader, Senator FRIST. He has been a steadfast supporter as well. He has fought for this priority of our conference. This is one of the high priority items we have fought for on our side of the aisle, and gratefully we have seen it also as a high priority on the other side of the aisle. That is a wonderful thing.

I thank Senator DASCHLE and Senator REID for their cooperation and willingness to continue to work this issue until we could arrive at a point where we are successful today.

I think we will be successful in a very overwhelming way. We have already seen that the House is going through the process of marking up—they have

not done it yet, but they have a template laid out for their version of the bill. We are optimistic that the House will promptly act to move a piece of legislation with which we can go to conference and get a bill to the President expeditiously to help many in our society who are out there working on the front lines trying to help people in need—particularly those people of faith.

One of the things I have heard is that the faith-based elements have been stripped. I counter that by saying if you look at the donations we are encouraging and some of these provisions that we have—for example, maternity group homes or food donation provisions—food donation in this country is overwhelmingly done by organizations of faith. They are the ones who collect the donations and distribute them. It is the same thing with maternity group homes. A large segment of those homes out there are faith based in nature, as well as a lot of the charitable giving provisions that will disproportionately have a positive impact on faith-based organizations. This will help faith-based organizations on the giving side, and, as I mentioned yesterday, the compassion capital fund in the bill provides technical assistance to small charities.

Again, the principal beneficiaries will be small, inner-city, faith-based organizations, these neighborhoods with many nondenominational churches which are already receiving technical assistance and instruction on how to apply for Federal funds through the charitable choice provisions of the 1996 Welfare Act. Already we are providing that assistance. This will increase that amount and will increase the grassroots, faith-based, inner-city entities, working in many cases in the most difficult neighborhoods, with the opportunity to access funds. Their base of funds isn't that great. They are some of the poorest neighborhoods in America.

So it is a great day for those who have been working hard and committing their lives in some of the most difficult neighborhoods of the country that will be getting the resources that are much needed to the grassroots organizations that, as the President has said, are driven by their faith commitment.

I yield the floor.

Mr. GRASSLEY. Madam President, I move to table the——

Mr. NICKLES. Will the Senator yield first? I am not sure we used all of our time.

The PRESIDING OFFICER. There is time remaining for debate.

Mr. NICKLES. I am happy to conclude shortly. Correct me if I am wrong, but I was thinking the vote was at 12:30, or are we trying to move it up?

Mr. GRASSLEY. I think we should wait until 12:30. I will wait. I yield the floor.

Mr. NICKLES. If the Senator wants to ask consent to move to table the amendment and have the vote commence at 12:30, I am happy to do that. Usually, when you move to table, you conclude the debate.

Mr. GRASSLEY. Madam President, I move to table the amendment and I ask for the yeas and nays and then that the vote occur at 12:30.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NICKLES. Madam President, parliamentary inquiry: How much time remains on the amendment?

The PRESIDING OFFICER. Six and a half minutes remain for the Senator from Oklahoma.

Mr. CRAIG. Will the Senator yield for a minute?

Mr. NICKLES. I am happy to yield.

Mr. CRAIG. I thank the Senator from Oklahoma for his amendment. I think it improves the legislation substantially in the context of what it is. This bill is not what it was. The CARE Act has all of the right reasons for passing the Congress—faith-based organizations gaining the benefit to serve people in a broader sense. We have gone beyond that now.

Now we are talking about providing an opportunity for charities and conservation groups to buy private land, or acquire private land, and, for the sale of that land, to gain a benefit. In public land States such as mine, where private land is, and it is the single tax base of counties and local entities of government, as we deplete that land, for whatever reason, we deplete the ability of counties to provide for themselves and their citizens. I am struggling with this bill in the final analysis because of that.

I do not oppose, obviously, the intent of CARE and the intent of rewarding and extending for faith-based organizations their ability to serve our country and its citizens. I thank my colleague for his amendment. I hope we will not table it. I think it clearly helps improve the legislation overall.

Mr. NICKLES. Madam President, I appreciate the comments of my colleague and friend from Idaho. He makes a very good point. Western States have a lot of public land and not a lot of private land. This amendment says if you are going to sell land to a charity that deals with conservation, you get a 25 percent lower capital gains tax than if you sell to any other charity.

My amendment would say if you sell to any charity, you will get a reduced capital gains tax. I mentioned the Nature Conservancy. They are big in my State. They bought one of the biggest ranches—a buffalo ranch—in Oklahoma. It is in the tall grass prairie. I love it. I helped make that happen. The Nature Conservancy is a big group. I don't know how great their assets are, but I guess it is in the millions of dollars—lots of land and lots of millions of dollars. If you sell to that group, you get a 25 percent reduction in your capital gains tax. I don't think they need it, compared to a church in Oklahoma, maybe in a rural area, which might want to build or expand. But if you want to sell to that church, you have to pay a 25 percent higher tax than if you sell it to a conservancy group, or the Sierra Club, that wants to build a conservancy or other groups that might want to say: Hey, you get a lower deal; sell it to us.

Let's encourage charitable contributions, but let's also encourage sales to charitable organizations. If we are going to do it for one charitable organization, let's do it for all charitable organizations. That is the essence of my amendment. We have paid for it. It is offset. I urge my colleagues to support it. If we are going to encourage charitable sales, let's do it for all of them, not just conservation groups. I urge my colleagues to vote against the motion to table.

I yield the remainder of my time.

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

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

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 527. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 38, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—62

Akaka	Dorgan	McCain
Alexander	Durbin	Mikulski
Baucus	Edwards	Miller
Bayh	Feingold	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Graham (FL)	Nelson (NE)
Boxer	Grassley	Pryor
Breaux	Gregg	Reed
Brownback	Harkin	Reid
Byrd	Hollings	Roberts
Cantwell	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Chafee	Kennedy	Schumer
Clinton	Kerry	Smith
Collins	Kohl	Snowe
Conrad	Landrieu	Stabenow
Corzine	Lautenberg	Stevens
Daschle	Leahy	Sununu
Dayton	Levin	Voinovich
DeWine	Lieberman	Wyden
Dodd	Lincoln	

NAYS—38

Allard	Craig	Hutchison
Allen	Crapo	Inhofe
Bennett	Dole	Johnson
Bond	Domenici	Kyl
Bunning	Ensign	Lott
Burns	Enzi	Lugar
Campbell	Fitzgerald	McConnell
Chambliss	Frist	Murkowski
Cochran	Graham (SC)	Nickles
Coleman	Hagel	Santorum
Cornyn	Hatch	

Sessions	Specter	Thomas
Shelby	Talent	Warner

The motion was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. GRASSLEY. Madam President, it is my intention to yield back all of my time except for 30 seconds.

WELFARE BENEFIT PLANS IN RELATION TO TITLE VII

Mr. SANTORUM. Madam President, I rise today to engage the distinguished chairman of the Finance Committee in a colloquy regarding welfare benefit plans in relation to title VII of S. 476.

Employee Welfare Benefit plans, regulated under ERISA, are employer-sponsored plans that provide security to employees at the time of an event that interrupts or impairs their earning power by providing benefits such as death benefits, medical insurance, long-term care and child care.

By way of introduction, sections 419 and 419A of the Internal Revenue Code set forth special rules for the deduction of contributions to a welfare benefit fund, including limitations on the amount of the deduction that would otherwise be deductible.

Moreover, 419A(f)(6) provides that the rules of sections 419 and 419A do not apply in the case of a welfare benefit fund that is part of a plan to which more than one employer contributes and to which no employer normally contributes more than 10 percent of the contributions of all employers under the plan. This exception for 10 or more employer plans, however, does not apply to any plan that maintains experience rating arrangements with respect to individual employers.

It is my understanding that there is ongoing review of sections 419 and 419A as the Department of Treasury seeks to establish further guidance relative to 10 or more employer plans. It is my understanding that such considerations have contributed to uncertainty in the tax treatment of these plans.

I inquire of Chairman GRASSLEY if he is aware of the concerns surrounding the uncertain tax treatment of 10 or more employer plans, and if so, if he would agree to continue discussions with Treasury in an effort to achieve clarity.

Mr. GRASSLEY. I am aware that the Treasury and Labor Departments are always examining the so-called welfare benefit plans because of aggressive uses of some arrangements. Taxpayers need certainty and clarity from the enforcement agencies that they can rely upon, so they do not run afoul of the rules and operate plans in accordance with the requirements of the law. It would be unwise to exclude a particular type of arrangement from the rules governing tax shelters, however, based upon some the abuses we have seen. But we can urge the Treasury Department to provide clearer guidance on the many welfare benefit plan arrangements. I am willing to join you in writing the Treasury Department to ask them for clearer guidance as soon as practicable.

Mr. SANTORUM. I thank the chairman for agreeing to work with me on this important issue.

Mr. BROWNBACK. Mr. President, it gives me great pleasure to join with my colleagues today and support this magnificent bill, the Charity Aid, Recovery, and Empowerment Act of 2003. This was a long fought endeavor—one that is worthy of the effort—and an endeavor that will continue to promote the act of charity, but also serve as a catalyst for those who need help in gaining self-sufficiency.

As you may know, the motto of my State, Kansas, is, Ad Astra Per Aspera or ''to the stars through difficulty.'' Indeed this is not only true of my State, but true of our Nation as well. The act of charity and benevolence is a hallmark of our great Nation and this bill will help to continue that legacy and provide a pathway for success for those in need.

During the aftermath of the September 11 attacks on our Nation, we saw the best of America in one of the darkest times of our Nation's history. Though as a Nation we were physically and emotional battered, we were able to rise up and come together as one Nation united, determined to help those in need. Many organizations such as the Salvation Army, the Red Cross and countless other charities and nonprofit organizations stood together with the men and women who attended to the victims and their families. The strength and resolve of our Nation was truly remarkable through the benevolence shown to the families of those lost on that tragic day.

It is time now that we help these and many other charitable organizations continue to help those in need. This bill, the CARE Act, will do just that. This act provides charitable giving incentives in the form of tax deductions for individuals and couples who do not itemize their tax returns—$250 for individuals and $500 for couples. It allows IRA holders to make charitable contributions from their accounts, and provides an enhanced charitable deduction for donations of food and books to charitable organizations.

Additionally, it provides an expedited review process for organizations seeking a 501(c)(3) status designation, which makes it easier to qualify for Federal grants and contracts. Along those same lines, the bill requires the IRS to expedite the 501(c)(3) application for any group that needs that status to apply for a government grant or contract. To further help in this arena, the bill requires the IRS to waive the application fee for groups whose annual revenues do not exceed $50,000.

I am also pleased that we are encouraging savings accounts for those in our society who are in the lower income brackets. The Individual Development Accounts, IDA, section provides a tangible incentive for folks to save and become self-sufficient, which not only provides financial security but increases the participants self-esteem which is priceless. Participants are able to withdraw these matched funds for a first home purchase, higher education costs, or to start a new business.

Lives are dramatically changed by this program and I am pleased to see the Senate backing this important incentive.

Lastly, I would like to highlight an issue that I am passionate about, an issue of the value of human life. I am very pleased that this bill will provide additional funding—$33 million to be exact—for helping teenage mothers achieve self-sufficiency by strengthening Federal support for locally run maternity group home programs. As we know, this was an important agenda item in the 1996 Welfare Reform bill. Under the 1996 law, minors are required to live at home under adult supervision or in a maternity group home in order to receive benefits. Teenagers who are provided the opportunity to live in these homes are more likely to continue their education or receive job training—this is paramount for not only economic stability but for the efficacy of the participant as well. These young women, who enter this program are less likely to have a second pregnancy, and more likely to find gainful employment that allows them to end a dependence upon Federal Government programs.

I am positive that this bill will continue to financially aid those organizations that reach out to those in need and will help them to build on the success they have already seen in their communities.

Indeed in my own State, I have, for several years, toured charitable organizations such as the Grace Center, which is a home for unwed mothers, and Bread of Life, which is an inner-city church that is leading community revitalization by partnering with schools and neighborhood organizations to provide scholastic, mentoring and bible study programs.

As a nation, we are strongest in our ability to provide assistance to those in need, and to provide individuals with the tools necessary to succeed. Dr. King once said, ''The ultimate measure of a man is not where he stands in moments of comfort and confidence, but where he stands at times of challenge and controversy.'' These organizations embody the epitome of Dr. King's statement. I encourage all of my colleagues to support this legislation, support those organizations who have committed their lives to helping others and who are indeed helping individuals through difficulties reach for the stars.

Mr. HATCH. Madam President, I rise today to express my support for the CARE Act, which is currently before the Senate. This bill is dedicated to improving the incentives for individuals and corporations to donate to charitable entities.

Through their generosity, Americans have shown their true colors as a compassionate, caring people. Unfortunately, many charities have had a difficult time raising money since the tragedy of September 11, as the economy has remained weak. This bill, which is a priority for President Bush, will help America's charities to continue their invaluable work.

I applaud the leadership of Chairman GRASSLEY and Ranking Democrat BAUCUS in getting this bill through the Finance Committee and onto the Senate floor. I also applaud the perseverance of Senators SANTORUM and LIEBERMAN, who have championed this bill for many months and have kept at it despite the discouragement of not being able to get the unanimous consent needed to bring it to the floor until very recently.

The CARE Act includes several important incentives to encourage additional contributions to charity. One of the more important ones is the provision to allow individuals who do not itemize to take a deduction under certain circumstances. I am particularly pleased that the Finance Committee chose to craft this incentive as a targeted provision, rather than as a provision that would allow a deduction for the first dollar of contributions. Two-thirds of Americans do not itemize their deductions, but most of them do make contributions. Allowing a deduction for contributions that were already being made is not an incentive—it is a giveaway. The provision in the CARE Act encourages us to stretch and give more. It provides a much bigger incentive for Americans to donate that marginal dollar and it also lowers the cost of this provision to the Treasury.

I am also very pleased that the bill includes two other provision, which I have been promoting for some time. The first would simplify a complex area of the current law and eliminate significant roadblocks that now stand in the way of businesses with excess book inventory to donating those books to schools, libraries, and literacy programs, where they are much needed. Unfortunately, the current tax law benefits for donating such books to schools or libraries are often no greater than the tax benefits for donating such books to schools or libraries are often no greater than the tax benefits of sending the books to the landfill.

The provision in the CARE Act addresses the obstacles of donating excess book inventory by providing a simple and clear rule whereby any donation of book inventory to a qualified school, library, or literacy program is eligible for an enhanced deduction. This means that booksellers and publishers would receive a higher tax benefit for donating the books rather than throwing them away and would thus be encouraged to go to the extra trouble and expense of seeking out qualified donees and making the contributions.

The second provision deals with a problem that owners of S corporation have in donating their stock to charitable entities. Under the current law, a donor of S corporation stock worth $500 but having a tax basis of $100 would receive a deduction for ony the amount of the basis, or $100. A holder of shares in a C corporation, however, is allowed to deduct the full $500 value of the stock. There is no justification for this disparity in treatment between S corporation and C corporations, and a provision in the CARE Act corrects it.

I am also pleased that another provision, which Senator LINCOLN and I added as a amendment to the bill in the Finance Committee, is included in the CARE Act. Similar to the books provision I mentioned before, this provision provides a larger deduction, and therefore a stronger incentive, for businesses to donate their excess inventory to charitable entities, such as schools or churches.

The CARE Act includes many worthwhile incentives designed to increase charitable contributions. Its enactment should make a real difference in our Nation.

There is, however, one portion of the CARE Act in which I am disappointed. As an offset, the bill includes a package of measures designed to crack down on abusive corporate tax shelters. While I am certainly not in favor of abusive tax shelters, I am concerned that part of this package of antitax shelter provisions, known as the clarification of the economic substance doctrine, could also close down legitimate tax planning techniques and give the Internal Revenue Service an unprecedented degree of authority to recast the tax treatment of transactions it does not like, regardless of whether the transactions are otherwise allowed under the tax law. The provision would also override a significant body of case law, some of which reaches back almost to the inception of the income tax.

I hope that the codification of the economic substance doctrine can be deleted in the conference with the House.

All in all, however, the CARE Act is a very good bill, and it deserves the support of the Senate. I urge all of my colleagues to vote for this bill.

Mr. FEINGOLD. Madam President, I am delighted that the Finance Committee has included my volunteer mileage reimbursement legislation in the CARE Act, and I want to take this opportunity to thank the Chairman GRASSLEY and the ranking member BAUCUS for their efforts to include this needed provision. I am also pleased that some troubling provisions have been deleted from this legislation. In particular, I congratulate the sponsors for agreeing to drop title VIII before bringing the bill to the floor. Doing so strengthens this bill, and will greatly speed consideration of the measure.

Under current law, when volunteers use their cars for charitable purposes, the volunteers may be reimbursed up to 14 cents per mile for their donated services without triggering a tax consequence for either the organization or the volunteers. If the charitable organization reimburses any more than that, the organization is required to file an information return with the IRS, and the volunteers must include the amount over 14 cents per mile in their taxable income. By contrast, the mileage reimbursement level currently permitted for businesses is 36 cents per mile.

At a time when Government is asking volunteers and volunteer organizations to bear a greater burden of delivering essential services, the 14 cents per mile limit is posing a very real hardship on charitable organizations and other nonprofit groups. I have heard from a number of people in Wisconsin on the need to increase this reimbursement limit.

At a listening session I held in Portage County, WI, representatives of the local Department on Aging explained just how important volunteer drivers are to their ability to provide services to seniors in that county. The Department on Aging reported that in 2001, 54 volunteer drivers delivered meals to homes and transported people to medical appointments, meal sites, and other essential services. The Department noted that their volunteer drivers provided 4,676 rides, and drove nearly 126,000 miles. They also delivered 9,385 home-delivered meals, and nearly two-thirds of the drivers logged more than 100 miles per month in providing these needed services. Together, volunteers donated over 5,200 hours last year, and as the Department notes, at the rate of minimum wage, that amounts to over $27,000, not including other benefits.

As many of my colleagues know, the senior meals program is one of the most vital services provided under the Older Americans Act, and ensuring that meals can be delivered to seniors or that seniors can be taken to meal sites is an essential part of that program. Unfortunately, federal support for the senior nutrition programs has stagnated in recent years. This has increased pressure on local programs to leverage more volunteer services to make up for lagging federal support. The 14 cents per mile reimbursement limit, though, increasingly poses a barrier to obtaining those contributions. Portage County reports that many of their volunteers cannot afford to offer their services under such a restriction. And if volunteers cannot be found, their services will have to be replaced by contracting with a provider, greatly increasing costs to the department, costs that come directly out of the pot of funds available to pay for meals and other services.

By contrast, businesses do not face this restrictive mileage reimbursement limit. The comparable mileage rate for someone who works for a business is currently 36 cents per mile. This disparity means that a business hired to deliver the same meals delivered by volunteers for Portage County may reimburse their employees over double

the amount permitted the volunteer without a tax consequence.

This doesn't make sense. The 14 cents per mile volunteer reimbursement limit is badly outdated. According to the Congressional Research Service, Congress first set a reimbursement rate of 12 cents per mile as part of the Deficit Reduction Act of 1984, and did not increase it until 1997, when the level was raised slightly, to 14 cents per mile, as part of the Taxpayer Relief Act of 1997.

The provision included in the CARE Act addresses this problem by raising the limit on volunteer mileage reimbursement to the level permitted to businesses, currently 36 cents per mile.

Once again, I thank the chairman and ranking member of the Finance Committee for their help in including this provision in the CARE Act. This timely measure will help ensure that charitable organizations can continue to attract the volunteers who play such a critical role in helping to deliver services, and it will simplify the tax code both for nonprofit groups and the volunteers themselves.

As I noted earlier, I am also pleased that the sponsors of the CARE Act agreed to drop title VIII before bringing the bill to the floor. I had two serious concerns about title VIII. First, it threatened to undermine our Nation's long-standing public policy against discrimination in employment. Religious organizations currently enjoy an exemption from title VII of the Civil Rights Act of 1964, allowing them to discriminate against individuals on the basis of religion when making employment decisions about individuals involved in religious services. The bill as introduced was silent on this issue and therefore threatened to extend this exemption and allow religious groups that provide federally funded social services to discriminate on the basis of religion in hiring, firing, or promotion decisions.

Second, title VIII could have allowed religious organizations receiving Federal funds to proselytize during the provision of the federally funded social service. Faith-based organizations do a lot of good work in our society. But the Founders were right when they crafted the Constitution's separation of church and state provision. We need to protect each American's right to practice his or her religion as he or she chooses. I am troubled by the possibility that, regardless of good intentions, in practice, people who are in trouble would feel pressured to engage in religious activities that they are not comfortable with in order to get access to help, or otherwise be denied the services that they desperately need.

Again, I am pleased that title VIII, the problematic faith-based provision, has been dropped from the version of the bill that is before the Senate today. Congress, however, must continue to be vigilant to ensure that we do not enact legislation that allows taxpayer dollars to be used to promote employment discrimination based on religion, or religious instruction, worship, or proselytization.

Mr. INOUYE. Mr. President, I want to express my appreciation to Chairman GRASSLEY and Senator BAUCUS for the inclusion of the hospital support organization provision to the CARE Act. This provision is important to all teaching hospital support organizations, including those in Hawaii. The provision would treat borrowing by these support organizations as qualified exceptions under the unrelated business income rule for debt acquisition.

As a requirement for tax exemption status, nonprofit hospitals must provide significant charity services. They do this mainly by treating Medicaid and Medicare patients and by running an open emergency room that treats anyone without regard to payment. For example, Medicare and Medicaid admissions comprise nearly 60 percent of all admissions at the largest private, nonprofit hospital in my State. The demand for indigent or charitable hospital care will continue to grow especially in an economic down turn.

A number of charitable hospitals, such as the Queen's Medical Center in the State of Hawaii, also provide residency training as teaching hospitals for our future doctors. In addition, they must extend staff privileges to all qualified physicians in nearly all specialties. Accordingly, they cannot be selective as to their patients or to their staff physicians. To pay for these charitable services nonprofit hospitals must use their endowment income as well as fees from other patients.

For-profit enterprises can easily borrow or raise the capital to build the most up-to-date facilities to compete for the high-profit patients. In comparison, charitable hospitals face lower reimbursements for Medicaid and Medicare patients, while at the same time they struggle to cope with rising costs for wages, supplies and insurance. In order to meet the growing demand for indigent care, many charitable hospitals postpone updating their equipment and defer modernizing their facilities. As a result, there is a growing trend for charitable hospitals to sell off their facilities to for-profit operations because they can easily secure the required capital to update or expand the facilities.

In the past, Congress has allowed nonprofit schools, colleges, universities, and pension funds to invest in real estate with borrowed funds, and the income from real investments has allowed these institutions to meet their financial needs. Accordingly, with this provision, teaching hospitals' support organizations would also be allowed to borrow in order to repair and improve the real property held in the portfolio assets of their endowments, thereby increasing the value of the real property segment of their endowments. The resulting increase of income can then help cover the growing costs for more charitable services.

Again, I thank Chairman GRASSLEY and Senator BAUCUS for the support they have given me

Mr. LEAHY. Madam President, I rise today in support of the Charity Aid, Recovery, and Empowerment, CARE Act of 2003. The tax provisions in the CARE Act will encourage increased giving to charitable organizations across the country. In community after community, our charitable organizations have seen donations drop off significantly because of the sluggish economy.

The CARE Act would allow taxpayers who do not itemize tax deductions to write off a portion of their charitable donations for 2 years—nonitemizers would be limited to $250 for individuals and $500 for couples filing joint returns. The bill would also permit tax-free distributions from IRAs for charitable purposes and would provide enhanced deductions for contributions of food, books, computers and conservation easements. It is important to note that the $13.1 billion in tax allowances in the CARE Act are fully offset by tax shelter legislation that would impose stiff penalties on those who try to hide assets from the IRS. I am also pleased that the bill reported by the Senate Finance Committee on February 5 contains none of the controversial ''charitable choice'' provisions that hindered its passage in the last Congress.

There are a number of bipartisan and noncontroversial tax incentive provisions in the CARE Act that I have supported as stand-alone bills, including the Artist-Museum Partnership Act, S. 287, that I coauthored with Senator BENNETT, and the Good Samaritan Hunger Relief Act, S. 85, that I coauthored with Senator LUGAR.

Senator BENNETT and I introduced the Artist-Museum Partnership Act to enable our country to keep cherished art works in the United States and to preserve them in our public institutions, while erasing an inequity in our Tax Code that now serves as a disincentive for artists to donate their works to museums and libraries. Under current law, artists who donate self-created works are only able to deduct the cost of supplies such as canvas, pen, paper and ink—a sum that does not come close to the works' true value. This is unfair to artists and it hurts museums and libraries large and small that are dedicated to preserving works for posterity. Our bill would allow artists, writers, and composers who donate works to museums and libraries to take a tax deduction equal to the fair-market value of the work.

In my State of Vermont, we are incredibly proud of the great works produced by hundreds of local artists who choose to live and work in the Green Mountain State. Displaying their creations in museums and libraries helps develop a sense of pride among Vermonters and strengthens a bond with Vermont, its landscape, its beauty, and its cultural heritage. Anyone

who has gained a greater understanding of both the artist and the subject by contemplating a painting in a museum or examining an original manuscript or composition knows the tremendous value of these works. I would like to see more of them, not fewer, preserved in Vermont and across the country.

I would like to thank Senators ALLEN, BINGAMAN, CANTWELL, CHAFEE, CLINTON, COCHRAN, DASCHLE, DODD, DURBIN, FEINSTEIN, GRAHAM of Florida, JEFFORDS, JOHNSON, KENNEDY, KERRY, LIEBERMAN, LINCOLN, MILLER, STEVENS, and WARNER for cosponsoring our bill.

The Good Samaritan Hunger Relief Act that Senator LUGAR and I introduced represents a great partnership between businesses and organizations working to alleviate hunger. The bill will increase donations to food banks, soup kitchens, and other hunger relief charities and therefore help local communities and organizations become the first line of defense against hunger in America.

Under current tax law, the deduction allowed for donated food does not cover expenses incurred by the business. In many cases, this means that it is cheaper for a business or farmer to throw away leftover food instead of donating it to the hungry. This legislation will make it easier for restaurants, food processors, and farmers to contribute food to food banks, pantries, and homeless shelters by allowing the deduction of the full market value of food donated.

Over the years, the legislation has received the endorsement of various hunger relief and food community organizations, including America's Second Harvest Food Banks, the American Farm Bureau Federation, the California Emergency Foodlink, the Council of Chain Restaurants, the Grocery Manufacturers of America, Lighthouse Ministries Inc., the National Restaurant Association and the Salvation Army. I would like to thank Senators AKAKA, ALLEN, BAYH, BOND, COCHRAN, DAYTON, DEWINE, DODD, DURBIN, ENSIGN, FITZGERALD, HARKIN, KERRY, LANDRIEU, MILLER, ROBERTS, SANTORUM, SCHUMER, and SMITH for also cosponsoring our bill.

I want to thank the chairman and ranking member of the Senate Finance Committee for including the Artist-Museum Partnership Act and the Good Samaritan Hunger Relief Act in the CARE Act. As we pass this important legislation today, I look forward to working with my colleagues to ensure that the bipartisan compromises contained in the Senate bill are preserved.

Mr. KERRY. Madam President, I rise today to offer my support for the CARE Act of 2003. Now that the objectionable ''charitable choice'' provisions of the bill have been removed, and the Republicans have agreed to pay for the tax provisions in the bill, the positives of the legislation clearly outweigh the negatives and the final result is worthy of support.

There are several aspects of the bill of which I want to make note. Let me briefly mention them.

First, several elements in the bill were included as amendments after several Senators, including myself, worked to add them in the Finance Committee. These include an enhanced tax deduction for contributions of food inventory, which will be very helpful for food banks assisting the poor; a new market-value deduction for art donated to nonprofit institutions by an artist during his or her lifetime; and some restoration of funding for the social service block grant program. These are all worthy provisions.

Second, I have argued that while we have the largest deficits in history and face pressing domestic needs and the long-term expense of rebuilding Iraq, we should not have any new tax cuts that are not paid for. That is why I have offered a stimulus package whose costs are offset in future years, so we can stimulate the economy today without passing the bill to our kids. I am pleased that the Finance Committee worked in a bipartisan way to pay for the provisions in the CARE Act, in order to eliminate any long-term cost. Moreover, I am especially pleased that the major pay-for provisions in the bill are clarification of the economic substance doctrine and other provisions related to tax shelters. I introduced legislation to reform these shelters during the 107th Congress and the Finance Committee took much of the language from my original bill when they needed a more comprehensive offset this year. Most notably, last year's offsets for the CARE Act did not include the economic substance provision; now it represents the single largest pay-for. At a time when we are learning how far companies will go to abuse the tax system, changes to these shelter provisions come at just the right time.

Finally, although the nonitemizer deduction for charitable contributions is getting the most attention in this bill, the largest permanent provision of the CARE Act will allow tax-free IRA rollovers to charitable organizations. Under the bill, people will be able to make planned charitable gifts out of IRAs at age 59½, and direct gifts at age 70½, without any tax consequence. This is language that I worked on with Senator DORGAN, and I worked hard in the Finance Committee to have the Dorgan-Kerry language included in the CARE markup. The new language will be very beneficial to the many colleges, universities, and cultural institutions throughout my home State.

The new law will make a big difference, and it is important that people understand how it works. Under current law, one's itemized deductions are generally limited to one-half of one's income. In the case of a retired worker with $30,000 of annual income, but $150,000 accumulated in an IRA, this limitation would prevent the retiree from making a $30,000 donation from the IRA to the charity of his or her choice. The entire $30,000 withdrawal from the IRA would be taxed as income, but only $15,000—50 percent of annual income—would be allowed as a charitable deduction. Under this bill, however, the entire contribution would be free of any tax consequence: The withdrawal would not be taxed as income, and the contribution would not be counted as a deduction. The taxpayer can simply make the transfer to the charity completely tax-free.

If the objective of this bill is to increase charitable giving, this is the central provision that will drive that result. I thank the sponsors of the bill, Senators LIEBERMAN and SANTORUM, and the Finance Committee leadership, Senators GRASSLEY and BAUCUS, and I urge my colleagues to support the CARE Act.

Mr. LIEBERMAN. Madam President, I am disappointed that the administration has put out a statement today opposing the SSBG provisions in this bill, especially after we negotiated a bill with the Administration that included those provisions. The SSBG funding is critically important to this bill. It funds a number of essential social services that have been harmed by cuts to that program. I'd like to put in the record here the results of a survey done by the United Way of America.

In January 2000, UWA conducted an informal survey to assess the impact cuts to SSBG have had on local United Ways and their community partners. This study represents the impact of cuts from a funding level of $2.8 billion to SSBG in fiscal year 1995, to $1.9 billion in fiscal year 1999. Since conducting the survey, SSBG funding has been further reduced to $1.7 billion.

Following summarizes ''The Stories Behind the Social Services Block Grant: A Survey by United Way of America.''

Effect of SSBG Cuts on Health and Human Service Agencies: One hundred thirty-eight agencies from 26 States responded.

Effect on budget: 38 percent received less SSBG money in 1999 than in the 1995; 42 percent have been level funded for the past 5 years.

Effect on services: 17 percent of the total respondents had to cut programs to compensate for SSBG cuts; 29 percent of the agencies that received less SSBG money in 1999 than in 1995 were forced to cut programs; 32 percent of the total respondents had to cut staff to compensate for SSBG cuts; 50 percent of the agencies that received less SSBG money in 1999 than in 1995 had to cut staff; 46 percent of the total respondents were forced to serve fewer clients; 73 percent of the agencies that received less SSBG money in 1999 than in 1995 were forced to serve fewer clients.

Respondents' median 1999 grant: $70,472.00.

Median percent of respondents' budget that SSBG represents: 10 percent.

Median number of people served with respondents' SSBG funds: 180.

The survey found that further cuts to SSBG would greatly reduce the reach and impact programs that provide services for a full range of health and human services from child welfare and

child care to youth development, job training and other work supports for those transitioning off welfare, assistance for domestic violence victims, respite care, home care services and information and referral. The administration's backtracking on its assurances about funding this program will further damage these efforts.

Mr. BUNNING. Madam President, I would like to express my support for S. 476, the CARE Act. The bill before us today contains many important provisions that work toward a single goal of encouraging charitable giving in the United States. The bill does this by making it easier for individuals to deduct their charitable contributions from their incomes taxes, by allowing tax-free distributions from IRAs for charities and by encouraging donations of books, food inventory, and computers.

I particularly would like to thank the managers of this bill for including a provision in the Managers' amendment that I had discussed in the Finance Committee earlier this year. That provision which will be in effect for certain tax-exempt bonds issued 1 year after the date of enactment of this bill, is aimed at making it easier for non-profit nursing and elder-care facilities to gain access to tax-exempt bond markets which might not otherwise be available to it. The provision was crafted to address some of the affordable funding issues facing the non-profit agencies that are attempting to provide these important and much-needed elder-care facilities, particularly in underserved regions of our country.

As you well know, Madam President, with the aging of our population, the challenges facing the underserved community of the elderly will continue to grow. One way that we can contribute to the good work that these non-profit nursing homes are doing is by finding ways to help them gain access to affordable capital so that they can continue to serve this important segment of our population.

I thank Chairman GRASSLEY and Ranking Member BAUCUS of the Finance Committee and Mr. SANTORUM, the chief supporter of this bill, and their staffs for their assistance with this issue.

Mr. GRASSLEY. Madam President, I rise today to speak in support of a key provision in the CARE Act, the restoration of $1.375 billion for the Social Services Block Grant Program or SSBG.

As my colleagues know, SSBG is an extremely flexible grant program that states use to pay for a wide variety of social services activities. States have broad discretion over the use of these funds. In recent years, the largest expenditures for services under the SSBG were for child protective services, children's foster care and prevention and intervention services.

Additionally, SSBG funds go to provide crucial services such as respite care for the elderly, adult protective services, as well as adoption programs.

In 1996, during the debate over welfare reauthorization, the Congress and the States agreed to temporarily decrease SSBG from $2.8 billion a year to $2.38 billion a year, until welfare reform was firmly established. The agreement further stipulated that SSBG would be funded at $2.38 billion per year until fiscal year 2003 when it would be restored to $2.8 billion per year.

We have not lived up to our promise. Funding for SSBG has been reduced considerably. Currently this vital program is funded at $1.7 billion a year.

This program is very important in my State of Iowa.

There were over 119,708 children and adults benefitting from SSBG-funded services in the state of Iowa in fiscal year 2000.

Iowa spent almost half of their $29 million block grant—48 percent—on services to persons with disabilities covering both physically disabled and developmentally disabled persons. Services include adult residential care, adult day care, community-supervised living, sheltered workshops and work activities.

Iowa used $982,078 in SSBG for the prevention of abuse and neglect to elderly and disabled persons compared to receiving only $55,927 from the title VII Elder Abuse under the Older Americans Act.

I worked very hard to ensure that SSBG was included in the CARE Act. The reason why I felt so strongly that it be included in the bill is because I see an SSBG increase as one of the ways we can direct fiscal relief to the states.

States are currently suffering under the worst fiscal crisis since World War II. I am committed to finding ways to assist the states manage this fiscal crisis. I view the inclusion of the restoration of SSBG funds as a good first step towards assisting the States make it through this current crisis.

I appreciate my colleagues' hard work on this bill and look forward to its enactment into law.

Mr. BAUCUS. Madam President, the CARE Act is an important piece of legislation that will help those organizations that are always there to help us. On balance, I believe the bill will encourage more charitable giving. And this is particularly important now, when demand on these organizations is out-pacing resources.

This legislation would not have been possible without the contributions of many.

First, I would like to thank the Finance Committee staff for their expert counsel and hard work. They spent many long hours perfecting this legislation. They are role models for those in public service.

I appreciate the cooperation we received from the Republican staff members including Kolan Davis, Mark Prater, Dean Zerbe, Elizabeth Paris, Christy Mistr, and Ed McClellan.

I want to especially thank my staff, including Jeff Forbes, John Angell, Russ Sullivan, Patrick Heck, and Jonathan Selib. I also want to mention our hardworking interns, Shawn White and Tyler Garrett.

The Finance Committee staff worked closely with staff members from other Senate offices. They also were in touch with officials from the Administration, including Susan Brown and others from Treasury.

The Joint Committee on Taxation provided technical assistance. Lindy Paull, Mary Schmitt, Roger Colinvaux, Ron Schultz, Sam Olchyk, Ray Beeman, and Brian Meighan. And many others. We owe many thanks for the assistance they provided.

Second, I want to thank Senators LIEBERMAN and SANTORUM. The CARE Act has been a priority for them for a long time. They have worked tirelessly to get this bill before the Senate. We are grateful for their diligence, cooperation and input.

I also want to thank our leaders Senators FRIST and DASCHLE for their decision in moving the CARE Act forward.

I want to thank my good friend and colleague, Chairman GRASSLEY. As always, he has been instrumental in ensuring a truly bipartisan bill. And, it continues to be a pleasure to work with him.

Finally, I look forward to seeing this bill passed into law—and soon. It is my hope that the House will take up this legislation quickly.

The CARE Act is one of the President's top priorities. There is a lot in this bill that enjoys widespread, bipartisan support.

Together, we have been working on this bill for more than 2 years. There is no need for further delay.

I urge the House to act quickly on this legislation so that we can have the CARE Act on the President's desk by the Memorial Day recess.

This is a good bill. I urge my colleagues to vote for the CARE Act.

Madam President, the CARE Act takes bold steps to combat the devastating problem of hunger—an issue that affects far too many of my constituents in Montana.

Today, in the greatest and most prosperous nation in the world, hunger remains a real problem for our families.

According to the USDA, more than 1 in 8 households were food insecure in Montana between 1999 and 2001. This means that they do not consistently know where their next meal will come from.

And 4 percent of households in Montana—that is 32,000 people, 12,000 of whom are children—live in conditions so severe that they are classified as actually experiencing hunger.

These numbers are on the rise—Montana's hunger rate had the second highest jump of any state from an identical USDA study done just three years earlier.

Many of these are working poor families, making gut-wrenching decisions

between whether to spend their hard-earned money on housing, healthcare, child-care, or food.

So this is an issue that concerns me deeply.

The CARE Act will provide a valuable weapon in the war to end hunger. It will do so by making it easier for farmers and small businesses to donate surplus food to our struggling hunger relief charities.

Simply put, these difficult economic times mean that more people are showing up to food pantries and soup kitchens at a time when these organizations are struggling the most to meet demand.

These community groups—usually consisting solely of volunteers—are often ''first-responders'' in the battle against hunger.

The CARE Act will help food pantries and soup kitchens to keep food on the shelves for hungry families.

The CARE Act is also good for America's struggling farmers and businesses. It helps them do the right thing by donating surplus food that would otherwise have been thrown away.

Here is what Peggy Grimes, of the Montana Food Bank Network has to say about the CARE Act:

It has come to my attention that these struggling farmers and small grocers do not receive any tax benefit for their increasing donations. They have been donating out of concern for their neighbors as they have been hearing reports of increased food insecurity throughout Montana. . . . For Montana, as an agricultural state, the Care Act will be of significant benefit to both those donating food and those in need of food.

Hunger in America is not a problem of lack of food. The USDA estimates that 96 billion pounds of food are thrown away each year.

This is simply shameful when working families are struggling to make ends meet. There is a problem when it is more profitable to throw away food than it is to donate it to those who need it.

The CARE Act helps solve this problem by providing incentives to farmers and small businesses, whose resources are also constrained in these economic times.

America's Second Harvest, the nation's largest anti-hunger charity, estimates that the CARE Act will result in enough donated food to provide roughly 765 million meals over the next 10 years.

These results are real, and I am proud to support this provision.

The CARE Act is a win-win-win situation. It is a win for anti-hunger charities that work hard to ensure that America's families have food on the table.

It is a win for our farmers and businesses that want to help their neighbors in need. And most importantly, it is a win for America's low-income families, who will see food on their tables.

I urge my colleagues to support the CARE Act.

Madam President, it is a sad fact that in a large number of homes—particularly in the homes of our poorest, most at-risk children—you cannot find a book. Sixty percent of kindergartners—in neighborhoods that performed poorly in school—did not own a single book.

The lack of access to books poses the greatest barrier to literacy. That is why we must change the status quo.

Unfortunately, the tax law functions as a disincentive to the charitable donation of books to schools, libraries, and literacy programs. Under the tax law, it is actually more economical to truck books to a dump than it is to give them to your local school or library.

Through the title I program, however, we have nearly 15 million youngsters nationwide enrolled. This allows us to reach at least a portion of the disadvantaged children in our country.

In my State of Montana, there are an estimated 35,000 poor children who qualify for the title I program. These children will also benefit from the provision in the CARE Act which encourages the donation of books. For a child who has never owned a book—their first book is a prized possession.

An increase in charitable book contributions would especially benefit the State of Montana. According to the Montana Library Association, the Montana State Library has fallen victim to a 26 percent budget cut in 2003. These reductions will mean less money for local libraries. And they will mean cuts in the State subsidies that currently fund book purchases, interlibrary loans, and audio and other special books for the elderly, disabled, and sick.

According to the Montana Commissioner of Higher Education, Montana universities will also receive fewer books. In the wake of the latest budget cuts, the state legislature has cut university budgets 8.4 percent. That puts university funding below 1992 levels.

The University of Montana leads the list with a 10.9 percent cut in state money. Followed by Montana State University at a 9.8 percent cut. And MSUY-Billings at a 8.5 percent cut. The libraries at Montana universities will experience cuts of $1.6 million for new materials.

These cuts will not only hurt universities—they will also hurt the programs in which university students participate. For example, the Montana Reads literacy program—started by University of Montana President Dennison in 1997.

This program is critical to the 60-plus University of Montana student volunteers who regularly tutor kindergarten through fifth grade Missoula students. I think it is simple common sense that a critical component of any successful literacy program is for the students to have books. These Montana tutors depend on book donations to help their students. The CARE Act helps them to help the elementary kids in Missoula.

Of course these donations will also greatly aid adult literacy. Campaigns such as the Montana Adult Basic & Literacy Education, ABLE, program serve adults who lack sufficient mastery of basic skills to function in society, a high school diploma, or basic English skills. In Montana, 75,000 adults aged 25 and over do not have a high school diploma or a GED. Twenty-five thousand adults have less than a ninth grade education.

Every effort we make to improve reading in Montana will suffer if we do not include books in the equation. The Federal Government granted 36 Montana schools $11 million over 3 years to find reading coaches, family literacy programs and tutors.

These grants are so important to Montana. But if we fail to supply books as part of the equation, then the grants are not put to use in the most efficient way. Allowing charitable donations for books ensures that we use taxpayer dollars more effectively. We cannot afford not to.

Madam President, earlier this year, Senator GRASSLEY and I reintroduced S. 701, the Rural Heritage Conservation Act. This bill will help the nation's hard-working farmers and ranchers preserve their heritage and way-of-life. At the same time, it promotes conservation of valuable open space and wildlife habitat. This legislation is included as a provision in the CARE Act.

S. 701 provides targeted income tax relief to small farmers and ranchers who wish to make a charitable contribution of a qualified conservation easement.

The bill would allow eligible farmers and ranchers to increase the currently deductible amount for charitable contributions of qualified conservation easements. That means that farmers and ranchers can deduct amounts up to 100 percent of adjusted gross income.

The bill also extends the carryover period from 5 years to 15 years. In the case of all other landowners, the AGI limitation would be raised from 30 percent to 50 percent.

Senator GRASSLEY has worked closely with me to include the provisions of S. 701 in the CARE Act. I believe our bipartisan cooperation is the reason why we have come so far in moving this very important piece of legislation.

Passing the provisions in S. 701 will mean that farmers and ranchers facing the potential of having to sell their ranch will have another financially viable option. Under this proposal, they will be able to choose to take advantage of the conservation easement incentives, stay on their land, and invest in their farming or ranching business.

In practical terms, that means these farmers and ranchers do not have to sell the family farm or ranch. They can keep it in the family. This is so important to preserving the character and economic vitality of our rural communities.

Over the past 25 years, over 3 million acres of agricultural lands have been

lost to development in Montana alone. Many of those lands were lost when family farms—hit hard by tough times—were forced to give up their generations' old farming operations and sell to developers in order to pay the bills.

We have to find additional tools to help these folks keep their land in agricultural production and in open space. Our legislation provides one of those tools.

To illustrate why this legislation is so important, let me give you an example of the impact of current law on farmers and ranchers.

Jerry Townsend was born and raised on his family's ranch in Highwood, Montana. He has operated the ranch since purchasing it from his parents in 1974. On his ranch, called the Elk Run Ranch, he raises commercial beef cattle.

In 1995, Mr. TOWNSend donated a conservation easement to the Montana Land Reliance. His ''donation'' was calculated at $528,000. However, because his ranch is held as a C corporation, his tax deduction was limited to10 percent of the ranch's net income. His tax deduction over the six years totaled a paltry $1,998—less than one percent of the total value of his donation.

In contrast, a landowner with more in income would have a much greater incentive to enter into an easement agreement because he or she would be able to deduct more of the value of the donation from their taxes.

S. 701 would do nothing more than level the playing field for farmers and ranchers when it comes to the tax benefits of donating conservation easements. What should matter is the value of your land—not the amount of your income.

Our conservation easement bill, and as included in the CARE Act, have been endorsed by 210 land trusts representing 44 States. Other supporters include the Montana Stockgrowers, the American Farmland Trust, and the Colorado Cattlemen.

This is a win-win proposition. Farmers and ranchers will be able to preserve their important agricultural and ranching lands for future generations. They will be able to continue to operate their businesses. They will be able to stay on their land.

It is a purely voluntary, incentive-based way to promote conservation. And it will allow us to bring people together. Landowners. Conservationists. The Federal Government. And local communities. All working together to preserve our precious natural resources and agricultural heritage.

Madam President, I rise to talk about another important, but often overlooked, aspect of the CARE Act additional funding for the Social Services Block Grant, or SSBG.

SSBG funds are very flexible. States can use these funds to assist abused children cope with their trauma; to help seniors live at home, instead of nursing homes; to provide day care for children in low-income working families; so that we know those kids are in safe places while their parents work; to assist the disabled so that they can fully participate in our society; to help parents adopt children, so that every child has a loving parent.

In my State of Montana, we use SSBG to help children with developmental disabilities, like those with cerebral palsy.

SSBG is ''glue money.'' Communities use it to fill holes in the safety net. It is up to States and localities to decide where it goes. We give them a long menu of options, and they use it the way they see fit, based on local needs. This bill provides over $1 billion more in SSBG to fill those holes over 2 years.

The goal of the CARE Act is to increase compassionate activity in our country. We are a big-hearted country. We want to help each other. This bill will help turn more of that desire into action and will make sure Government is doing its part.

SSBG funds support the activities of faith-related charities. We give the money to the States and they often contract with faith-related organizations to do the hands-on work that they do so well. If you want to support Catholic Charities, then you should support SSBG. If you want to support Lutheran Social Services, then you should support SSBG. These organizations have told me that SSBG funds are crucially important to them.

The CARE Act is about increased individual giving. That is absolutely vital. But if the Government does less, then any increase in individual giving may only be filling that gap left by the withdrawal of the Government.

The additional SSBG funding in this bill is our way of saying that the Government will keep its part of the bargain and continue to play a role. It is a flexible source of funds, so it won't be bureaucrats in Washington dictating the money will be used. And much of the funding will go to faith-related charities—the very organizations we want to bolster.

We haven't talked much about the SSBG provision. That is a good sign. Around here, we tend to talk about the things we disagree about. I am glad we could find common ground on this provision so easily. I'm sure the faith-related charities will thank us for doing so.

I commend Senators LIEBERMAN and SANTORUM for their work on the CARE Act.

Madam President, on February 5, 2003, the Finance Committee passed tax shelter legislation to offset the cost of the CARE Act.

How appropriate it is for a bill to encourage more charitable giving to be paid for by those shirking their responsibility to pay their fair share of taxes.

The tax shelter legislation included in the CARE Act was developed by the Finance Committee over the past 4 years.

The committee has taken time to develop appropriately targeted legislation. Care has been taken to avoid encumbering legitimate business transactions. Nevertheless, we will all be burdened until we get this problem in check.

Without these changes, honest businesses will continue to be burdened to the extent they compete against companies avoiding taxes.

Tax shelters are carefully engineered tax transactions. Most have little or no economic substance. That means that they are designed to achieve unwarranted tax benefits rather than business profit. And, they place honest taxpayers at a considerable disadvantage.

As Michael Graetz, Professor of Law at Yale University, once said: ''a tax shelter is a deal done by very smart people that, absent tax considerations, would be very stupid.''

It is time to put a stop to the unsavory practice of mining the Tax Code for these abusive shelters.

These transactions are designed to take advantage of the complexity of the tax law to obtain benefits that Congress never intended.

They pose a real threat to the integrity of our self-assessment system by eroding the public's respect of the tax law.

Under tax shelter legislation produced by the Finance Committee, promoters, advisors, and taxpayers would be subject to stiff penalties for failing to acknowledge these transactions to the IRS.

Treasury believes that if a taxpayer feels comfortable entering into a transaction; if a promoter feels comfortable selling a transaction; and, an advisor feels comfortable recommending a transaction, they should all feel comfortable disclosing the transaction to the IRS.

We have worked closely with the Treasury Department in crafting this legislation. We have given Treasury authority to fine-tune the provisions so as to protect legitimate tax planning.

But make no mistake, I am committed to combating abusive tax transactions. The tax shelter package is the first installment. It will not be the last.

The tax shelter package reinforces steps already taken by Treasury by requiring more transparency.

Taxpayers will now be required to disclose certain reportable transactions on their tax returns or face stiff penalties. Promoters will have to provide information to IRS on their tax avoidance strategies or face stiff sanctions.

These provisions are designed to change the cost-benefit ratio of those contemplating engaging in egregious tax planning strategies.

The bill would also eliminate abusive tax shelters by denying tax benefits with little or no economic substance.

That means that taxpayers will have to enter into transactions for legitimate economic and business reasons and not purely for tax avoidance.

This was the key recommendation made by the Joint Committee on Taxation in response to the investigation of Enron's tax transactions.

Presently, there is lack of uniformity regarding the proper application of the economic substance doctrine. Some courts apply a conjunctive test that requires a taxpayer to establish the presence of both economic substance and a substantial nontax business purpose. Other courts have found the existence of one of these as sufficient to respect a transaction.

The provision will clarify the application of the doctrine. It does not tell the court when to apply it.

A tax shelter disallowed in New York should not be permitted elsewhere. The clarification ensures uniformity across the country.

The tax shelter legislation included in the CARE Act is only a down payment. It will go a long way toward curbing abusive transactions. But it is not the final answer.

Based on the Joint Committee's investigation of Enron's tax returns, additional steps are needed. The Joint Committee made several specific recommendations for additional changes. We are looking closely at these recommendations. Additional legislation will be forthcoming. I am confident we will make any additional changes with bipartisan support.

Enron kept the IRS in the dark and out-maneuvered. The lack of adequate disclosure rules and the lack of sufficient IRS enforcement resources clearly helped Enron and its executives walk away with millions maybe billions. Our legislation would bring more transparency to these Enron-type transactions. The Enron report clearly demonstrates the need for meaningful shelter legislation.

I urge my colleagues to support this measure.

Mr. DASCHLE. Madam President, this is an important day for Senate.

As American service men and women risk their lives to relieve the suffering of an oppressed people in Iraq, the Senate is setting aside ideological differences to energize American compassion to relieve suffering here at home.

Over the past few years, the country's economic troubles have carried a double sting for America's charities. While more Americans are in need, charitable donations have dropped as families feel the pinch of the economic downturn. As a result, many charities have had to cut back on the services they provide. That means fewer meals for the hungry, fewer beds for the homeless, fewer safe havens for battered wives and children.

This legislation, the CARE Act, expands our Nation's capacity to respond to the needs of its citizens who need help. With its passage, the Senate adds the resources of the Federal Government to the commitment of our charities and faith-based organizations.

This bill won't solve every problem in our cities and towns. But it will get meaningful aid to organizations and institutions that are equipped to help those who need help the most. It also creates real incentives to encourage giving and makes it easier for Americans to come to the aid of their fellow citizens.

Our country has a history of pulling together to help the less fortunate, and the religious community and private charities are an integral part of these efforts.

I am pleased that the Senate is helping carry that spirit forward by reaffirming the relationship between the Federal Government and our community and faith-based groups.

I want to commend Senator LIEBERMAN and Senator SANTORUM for their leadership on this legislation.

Throughout their work, they have kept sight of two fundamental goals: First, increasing assistance to those organizations that lend a hand to those in need; and second crafting a bill that reflects the Senate's strong bipartisan support for America's charities.

Today all their hard work is being rewarded. And the result will be community and faith-based groups that are better equipped to tackle the challenges facing our families and neighborhoods today.

This legislation increases funding for social services block grants and maternity homes that help teen mothers get their lives back on the right track. It also creates new avenues for giving, by making it easier to transfer retirement savings into charitable gifts and by expanding the range of deductible donations.

While we are forgoing a stronger relationship between the Federal Government and the faith community, we have been able to accomplish this goal without undermining basic constitutional protections.

I was particularly pleased that Senators SANTORUM and LIEBERMAN were able to eliminate some of the more divisive elements of the version that passed the House of Representatives.

This compromise package will not privatize Federal social service programs, or pre-empt State and local civil rights laws. These are difficult and divisive issues. But American charities need help today. And by passing this legislation, the Senate sends a message that when our citizens are in need, we cannot hold aid hostage to endless ideological debate. Compassion is not a partisan issue.

All Americans, indeed, all human being, are bound by a common commandment to pursue justice, love kindness, and seek mercy for the oppressed. It is a standard that should guide all our work.

Today, with the passage of this bill, we move a little closer to embodying the spirit of these words, and ever closer to fulfilling our obligation to one another.

Mr. GRASSLEY. Madam President, I yield back all of my time except for 30 seconds that I want to yield to the Senator from Pennsylvania, because of his hard work on this legislation.

The PRESIDING OFFICER. I ask those who are speaking to please take their conversations off the floor so we can hear the Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I thank the chairman and ranking member of the Finance Committee for the tremendous bipartisan work it took to bring this bill to the floor, where I hope we will have a very strong vote on final passage. Particularly I thank the Senator from Connecticut, Mr. LIEBERMAN, for his outstanding cooperation and work to make sure this was done in a very strong, bipartisan way.

Finally, I thank Randy Brandt, from my staff, who has put his heart and soul into this legislation and just did an outstanding job. I thank him and yield the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRASSLEY. Madam President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 95, nays 5, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—95

Akaka	Dole	Lincoln
Alexander	Domenici	Lott
Allard	Dorgan	Lugar
Allen	Durbin	McCain
Baucus	Edwards	McConnell
Bayh	Ensign	Mikulski
Bennett	Feingold	Miller
Biden	Feinstein	Murkowski
Bingaman	Fitzgerald	Murray
Bond	Frist	Nelson (FL)
Boxer	Graham (FL)	Nelson (NE)
Breaux	Graham (SC)	Pryor
Brownback	Grassley	Reed
Bunning	Gregg	Reid
Burns	Hagel	Roberts
Byrd	Harkin	Rockefeller
Campbell	Hatch	Santorum
Cantwell	Hollings	Sarbanes
Carper	Hutchison	Schumer
Chafee	Inhofe	Sessions
Chambliss	Inouye	Shelby
Clinton	Jeffords	Smith
Cochran	Johnson	Snowe
Coleman	Kennedy	Specter
Collins	Kerry	Stabenow
Conrad	Kohl	Stevens
Cornyn	Kyl	Sununu
Corzine	Landrieu	Talent
Daschle	Lautenberg	Voinovich
Dayton	Leahy	Warner
DeWine	Levin	Wyden
Dodd	Lieberman	

NAYS—5

Craig	Enzi	Thomas
Crapo	Nickles	

The bill (S. 476), as amended, was passed, as follows:

S. 476

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''CARE Act of 2003''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—CHARITABLE GIVING INCENTIVES

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize deductions for any taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the amount allowable under subsection (a) for the taxable year for cash contributions, to the extent that such contributions exceed $250 ($500 in the case of a joint return) but do not exceed $500 ($1,000 in the case of a joint return).''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 (defining taxable income) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the direct charitable deduction.''.

(c) STUDY.—

(1) IN GENERAL.—The Secretary of the Treasury shall study the effect of the amendments made by this section on increased charitable giving and taxpayer compliance, including a comparison of taxpayer compliance between taxpayers who itemize their charitable contributions and taxpayers who claim a direct charitable deduction.

(2) REPORT.—By not later than December 31, 2004, the Secretary of the Treasury shall report on the study required under paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002, and before January 1, 2005.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity, and

''(ii) which is made on or after—

''(I) in the case of any distribution described in clause (i)(I), the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(II) in the case of any distribution described in clause (i)(II), the the date that such individual has attained age 59½.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would have been so includible if all amounts were distributed from all individual retirement accounts treated as 1 contract under paragraph (2)(A) for purposes of determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Notwithstanding section 664(b), distributions made from a trust described in subparagraph (G)(i) shall be treated as ordinary income in the hands of the beneficiary to whom is paid the annuity described in section 664(d)(1)(A) or the payment described in section 664(d)(2)(A).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)) by reason of a qualified charitable distribution to such fund, and all distributions from the fund which are attributable to qualified charitable distributions shall be treated as ordinary income to the beneficiary.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)) which must be funded exclusively by qualified charitable distributions,

''(ii) a pooled income fund (as defined in section 642(c)(5)), but only if the fund accounts separately for amounts attributable to qualified charitable distributions, and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

''SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including—

''(A) the amount of the deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which deductions under section 642(c) have been taken in prior years,

''(C) the amount for which such deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for the purposes described in section 642(c),

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to a trust for any taxable year if—

''(A) all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries, or

''(B) the trust is described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

In addition to any penalty imposed on the trust pursuant to this subparagraph, if the

person required to file such return knowingly fails to file the return, such penalty shall also be imposed on such person who shall be personally liable for such penalty.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to distributions—

(A) described in section 408(d)(8)(B)(i)(I) of the Internal Revenue Code of 1986, as added by this section, made after the date of the enactment of this Act, and

(B) described in section 408(d)(8)(B)(i)(II) of such Code, as so added, made after December 31, 2003.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2003.

SEC. 103. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORIES.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) APPLICATION OF PARAGRAPH (3) TO CERTAIN CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) EXTENSION TO INDIVIDUALS.—In the case of a charitable contribution of apparently wholesome food—

''(i) paragraph (3)(A) shall be applied without regard to whether the contribution is made by a C corporation, and

''(ii) in the case of a taxpayer other than a C corporation, the aggregate amount of such contributions from any trade or business (or interest therein) of the taxpayer for any taxable year which may be taken into account under this section shall not exceed 10 percent of the taxpayer's net income from any such trade or business, computed without regard to this section, for such taxable year.

''(B) LIMITATION ON REDUCTION.—In the case of a charitable contribution of apparently wholesome food, notwithstanding paragraph (3)(B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of such property exceeds twice the basis of such property.

''(C) DETERMINATION OF BASIS.—If a taxpayer—

''(i) does not account for inventories under section 471, and

''(ii) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of paragraph (3)(B), to treat the basis of any apparently wholesome food as being equal to 25 percent of the fair market value of such food.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards or such lack of market and

''(ii) by taking into account the price at which the same or substantially the same food items (as to both type and quality) are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) APPARENTLY WHOLESOME FOOD.—For purposes of this paragraph, the term 'apparently wholesome food' has the meaning given such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this paragraph.''.

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

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES.

(a) IN GENERAL.—Section 170(e)(3) (relating to certain contributions of ordinary income and capital gain property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

''(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether—

''(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

''(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

''(ii) AMOUNT OF REDUCTION.—Notwithstanding subparagraph (B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of the contributed property (as determined by the taxpayer using a bona fide published market price for such book) exceeds twice the basis of such property.

''(iii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term 'qualified book contribution' means a charitable contribution of books, but only if the requirements of clauses (iv) and (v) are met.

''(iv) IDENTITY OF DONEE.—The requirement of this clause is met if the contribution is to an organization—

''(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

''(II) described in section 501(c)(3) and exempt from tax under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)), which is organized primarily to make books available to the general public at no cost or to operate a literacy program.

''(v) CERTIFICATION BY DONEE.—The requirement of this clause is met if, in addition to the certifications required by subparagraph (A) (as modified by this subparagraph), the donee certifies in writing that—

''(I) the books are suitable, in terms of currency, content, and quantity, for use in the donee's educational programs, and

''(II) the donee will use the books in its educational programs.

''(vi) BONA FIDE PUBLISHED MARKET PRICE.—For purposes of this subparagraph, the term 'bona fide published market price' means, with respect to any book, a price—

''(I) determined using the same printing and edition,

''(II) determined in the usual market in which such a book has been customarily sold by the taxpayer, and

''(III) for which the taxpayer can demonstrate to the satisfaction of the Secretary that the taxpayer customarily sold such books in arm's length transactions within 7 years preceding the contribution of such a book.''.

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

SEC. 105. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(2) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by inserting ''or assembling'' after ''construction''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(2) SPECIAL RULE EXTENDED.—Section 170(e)(6)(G) is amended by striking ''2003'' and inserting ''2005''.

(3) CONFORMING AMENDMENTS.—Subparagraph (D) of section 170(e)(6) is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 106. MODIFICATIONS TO ENCOURAGE CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Section 170(h) (relating to qualified conservation contribution) is amended by adding at the end the following new paragraph:

''(7) ADDITIONAL INCENTIVES FOR QUALIFIED CONSERVATION CONTRIBUTIONS.—

''(A) IN GENERAL.—In the case of any qualified conservation contribution (as defined in paragraph (1)) made by an individual—

''(i) subparagraph (C) of subsection (b)(1) shall not apply,

''(ii) except as provided in subparagraph (B)(i), subsections (b)(1)(A) and (d)(1) shall be applied separately with respect to such contributions by treating references to 50 percent of the taxpayer's contribution base as references to the amount of such base reduced by the amount of other contributions allowable under subsection (b)(1)(A), and

''(iii) subparagraph (A) of subsection (d)(1) shall be applied—

''(I) by substituting '15 succeeding taxable years' for '5 succeeding taxable years', and

''(II) by applying clause (ii) to each of the 15 succeeding taxable years.

''(B) SPECIAL RULES FOR ELIGIBLE FARMERS AND RANCHERS.—

''(i) IN GENERAL.—In the case of any such contributions by a taxpayer who is an eligible farmer or rancher for the taxable year in which such contributions are made—

''(I) if the taxpayer is an individual, subsections (b)(1)(A) and (d)(1) shall be applied separately with respect to such contributions by substituting 'the taxpayer's contribution base reduced by the amount of other contributions allowable under subsection (b)(1)(A)' for '50 percent of the taxpayer's contribution base' each place it appears, and

''(II) if the taxpayer is a corporation, subsections (b)(2) and (d)(2) shall be applied separately with respect to such contributions, subsection (b)(2) shall be applied with respect to such contributions as if such subsection did not contain the words '10 percent

of' and as if subparagraph (A) thereof read 'the deduction under this section for qualified conservation contributions', and rules similar to the rules of subparagraph (A)(iii) shall apply for purposes of subsection (d)(2).

''(ii) DEFINITION.—For purposes of clause (i), the term 'eligible farmer or rancher' means a taxpayer whose gross income from the trade or business of farming (within the meaning of section 2032A(e)(5)) is at least 51 percent of the taxpayer's gross income for the taxable year, and, in the case of a C corporation, the stock of which is not publicly traded on a recognized exchange.''.

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

SEC. 107. EXCLUSION OF 25 PERCENT OF GAIN ON SALES OR EXCHANGES OF LAND OR WATER INTERESTS TO ELIGIBLE ENTITIES FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by inserting after section 121 the following new section:

"SEC. 121A. 25-PERCENT EXCLUSION OF GAIN ON SALES OR EXCHANGES OF LAND OR WATER INTERESTS TO ELIGIBLE ENTITIES FOR CONSERVATION PURPOSES.

''(a) EXCLUSION.—Gross income shall not include 25 percent of the qualifying gain from a conservation sale of a long-held qualifying land or water interest.

''(b) QUALIFYING GAIN.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying gain' means any gain which would be recognized as long-term capital gain, reduced by the amount of any long-term capital gain attributable to disqualified improvements.

''(2) DISQUALIFIED IMPROVEMENT.—For purposes of paragraph (1), the term 'disqualified improvement' means any building, structure, or other improvement, other than—

''(A) any improvement which is described in section 175(c)(1), determined—

''(i) without regard to the requirements that the taxpayer be engaged in farming, and

''(ii) without taking into account subparagraphs (A) and (B) thereof, or

''(B) any improvement which the Secretary determines directly furthers conservation purposes.

''(3) SPECIAL RULE FOR SALES OF STOCK.—If the long-held qualifying land or water interest is 1 or more shares of stock in a qualifying land or water corporation, the qualifying gain is equal to the lesser of—

''(A) the qualifying gain determined under paragraph (1), or

''(B) the product of—

''(i) the percentage of such corporation's stock which is transferred by the taxpayer, times

''(ii) the amount which would have been the qualifying gain (determined under paragraph (1)) if there had been a conservation sale by such corporation of all of its interests in the land and water for a price equal to the product of the fair market value of such interests times the ratio of—

''(I) the proceeds of the conservation sale of the stock, to

''(II) the fair market value of the stock which was the subject of the conservation sale.

''(c) CONSERVATION SALE.—For purposes of this section, the term 'conservation sale' means a sale or exchange which meets the following requirements:

''(1) TRANSFEREE IS AN ELIGIBLE ENTITY.—The transferee of the long-held qualifying land or water interest is an eligible entity.

''(2) QUALIFYING LETTER OF INTENT REQUIRED.—At the time of the sale or exchange, such transferee provides the taxpayer with a qualifying letter of intent.

''(3) NONAPPLICATION TO CERTAIN SALES.—The sale or exchange is not made pursuant to an order of condemnation or eminent domain.

''(4) CONTROLLING INTEREST IN STOCK SALE REQUIRED.—In the case of the sale or exchange of stock in a qualifying land or water corporation, at the end of the taxpayer's taxable year in which such sale or exchange occurs, the transferee's ownership of stock in such corporation meets the requirements of section 1504(a)(2) (determined by substituting '90 percent' for '80 percent' each place it appears).

''(d) LONG-HELD QUALIFYING LAND OR WATER INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'long-held qualifying land or water interest' means any qualifying land or water interest owned by the taxpayer or a member of the taxpayer's family (as defined in section 2032A(e)(2)) at all times during the 5-year period ending on the date of the sale.

''(2) QUALIFYING LAND OR WATER INTEREST.—

''(A) IN GENERAL.—The term 'qualifying land or water interest' means a real property interest which constitutes—

''(i) a taxpayer's entire interest in land,

''(ii) a taxpayer's entire interest in water rights,

''(iii) a qualified real property interest (as defined in section 170(h)(2)), or

''(iv) stock in a qualifying land or water corporation.

''(B) ENTIRE INTEREST.—For purposes of clause (i) or (ii) of subparagraph (A)—

''(i) a partial interest in land or water is not a taxpayer's entire interest if an interest in land or water was divided in order to create such partial interest in order to avoid the requirements of such clause or section 170(f)(3)(A), and

''(ii) a taxpayer's entire interest in certain land does not fail to satisfy subparagraph (A)(i) solely because the taxpayer has retained an interest in other land, even if the other land is contiguous with such certain land and was acquired by the taxpayer along with such certain land in a single conveyance.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a governmental unit referred to in section 170(c)(1), or an agency or department thereof operated primarily for 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A), or

''(B) an entity which is—

''(i) described in section 170(b)(1)(A)(vi) or section 170(h)(3)(B), and

''(ii) organized and at all times operated primarily for 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A).

''(2) QUALIFYING LETTER OF INTENT.—The term 'qualifying letter of intent' means a written letter of intent which includes the following statement: 'The transferee's intent is that this acquisition will serve 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986, that the transferee's use of the property so acquired will be consistent with section 170(h)(5) of such Code, and that the use of the property will continue to be consistent with such section, even if ownership or possession of such property is subsequently transferred to another person.'

''(3) QUALIFYING LAND OR WATER CORPORATION.—The term 'qualifying land or water corporation' means a C corporation (as defined in section 1361(a)(2)) if, as of the date of the conservation sale—

''(A) the fair market value of the corporation's interests in land or water held by the corporation at all times during the preceding 5 years equals or exceeds 90 percent of the fair market value of all of such corporation's assets, and

''(B) not more than 50 percent of the total fair market value of such corporation's assets consists of water rights or infrastructure related to the delivery of water, or both.

''(f) TAX ON SUBSEQUENT TRANSFERS OR REMOVALS OF CONSERVATION RESTRICTIONS.—

''(1) IN GENERAL.—A tax is hereby imposed on any subsequent—

''(A) transfer by an eligible entity of ownership or possession, whether by sale, exchange, or lease, of property acquired directly or indirectly in—

''(i) a conservation sale described in subsection (a), or

''(ii) a transfer described in clause (i), (ii), or (iii) of paragraph (4)(A), or

''(B) removal of a conservation restriction contained in an instrument of conveyance of such property.

''(2) AMOUNT OF TAX.—The amount of tax imposed by paragraph (1) on any transfer or removal shall be equal to the sum of—

''(A) either—

''(i) 20 percent of the fair market value (determined at the time of the transfer) of the property the ownership or possession of which is transferred, or

''(ii) 20 percent of the fair market value (determined at the time immediately after the removal) of the property upon which the conservation restriction was removed, plus

''(B) the product of—

''(i) the highest rate of tax specified in section 11, times

''(ii) any gain or income realized by the transferor or person removing such restriction as a result of the transfer or removal.

''(3) LIABILITY.—The tax imposed by paragraph (1) shall be paid—

''(A) on any transfer, by the transferor, and

''(B) on any removal of a conservation restriction contained in an instrument of conveyance, by the person removing such restriction.

''(4) RELIEF FROM LIABILITY.—The person (otherwise liable for any tax imposed by paragraph (1)) shall be relieved of liability for the tax imposed by paragraph (1)—

''(A) with respect to any transfer if—

''(i) the transferee is an eligible entity which provides such person, at the time of transfer, a qualifying letter of intent,

''(ii) in any case where the transferee is not an eligible entity, it is established to the satisfaction of the Secretary, that the transfer of ownership or possession, as the case may be, will be consistent with section 170(h)(5), and the transferee provides such person, at the time of transfer, a qualifying letter of intent, or

''(iii) tax has previously been paid under this subsection as a result of a prior transfer of ownership or possession of the same property, or

''(B) with respect to any removal of a conservation restriction contained in an instrument of conveyance, if it is established to the satisfaction of the Secretary that the retention of the restriction was impracticable or impossible and the proceeds continue to be used in a manner consistent with 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A).

''(5) ADMINISTRATIVE PROVISIONS.—For purposes of subtitle F, the taxes imposed by this subsection shall be treated as excise taxes with respect to which the deficiency procedures of such subtitle apply.

''(6) REPORTING.—The Secretary may require such reporting as may be necessary or appropriate to further the purpose under this section that any conservation use be in perpetuity.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 121 the following new item:

''Sec. 121A. 25-percent exclusion of gain on sales or exchanges of land or water interests to eligible entities for conservation purposes.''.

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

SEC. 108. TAX EXCLUSION FOR COST-SHARING PAYMENTS UNDER PARTNERS FOR FISH AND WILDLIFE PROGRAM.

(a) IN GENERAL.—Section 126(a) (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following:

''(10) The Partners for Fish and Wildlife Program authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.).''.

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

SEC. 109. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) (relating to adjustments to basis of stock of shareholders, etc.) is amended by adding at the end the following new flush sentence:

''The decrease under subparagraph (B) by reason of a charitable contribution (as defined in section 170(c)) of property shall be the amount equal to the shareholder's pro rata share of the adjusted basis of such property.''.

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

SEC. 110. ENHANCED DEDUCTION FOR CHARITABLE CONTRIBUTION OF LITERARY, MUSICAL, ARTISTIC, AND SCHOLARLY COMPOSITIONS.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property), as amended by this Act, is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, ARTISTIC, OR SCHOLARLY COMPOSITIONS.—

''(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

''(i) the amount of such contribution taken into account under this section shall be the fair market value of the property contributed (determined at the time of such contribution), and

''(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

''(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

''(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

''(ii) the taxpayer—

''(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

''(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

''(iii) the donee is an organization described in subsection (b)(1)(A),

''(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under section 501(c)),

''(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

''(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

''(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

''(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

''(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

''(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

''(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

''(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

''(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

''(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

''(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

''(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).''.

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

SEC. 111. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 139 the following new section:

''SEC. 139A. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

''(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that the expenses which are reimbursed would be deductible under this chapter if section 274(d) were applied—

''(1) by using the standard business mileage rate established under such section, and

''(2) as if the individual were an employee of an organization not described in section 170(c).

''(b) APPLICATION TO VOLUNTEER SERVICES ONLY.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

''(c) NO DOUBLE BENEFIT.—A taxpayer may not claim a deduction or credit under any other provision of this title with respect to the expenses under subsection (a).

''(d) EXEMPTION FROM REPORTING REQUIREMENTS.—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 139 the following new item:

''Sec. 139A. Mileage reimbursements to charitable volunteers.''.

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

SEC. 112. EXTENSION OF ENHANCED DEDUCTION FOR INVENTORY TO INCLUDE PUBLIC SCHOOLS.

(a) IN GENERAL.—Subparagraph (A) of section 170(e)(3) (relating to special rule for certain contributions of inventory and other property) is amended by striking ''to an organization which is described in'' and all that follows through the end of clause (i) and inserting ''to a qualified organization, but only if—

''(i) the property is to be used by the donee solely for the care of the ill, the needy, or infants and, in the case of—

''(I) an organization described in section 501(c)(3) (other than an organization described in subclause (II)), the use of the property by the donee is related to the purpose or function constituting the basis for its exemption under section 501, and

''(II) an organization described in subsection (b)(1)(A)(ii), the use of the property by the donee is related to educational purposes and such property is not computer technology or equipment (as defined in paragraph (6)(F)(i));''.

(b) QUALIFIED ORGANIZATION.—Paragraph (3) of section 170(e) of such Code is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) QUALIFIED ORGANIZATION.—For purposes of this paragraph, the term 'qualified organization' means—

''(i) an organization which is described in section 501(c)(3) and is exempt under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)), and

''(ii) an educational organization described in subsection (b)(1)(A)(ii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2003.

SEC. 113. 10-YEAR DIVESTITURE PERIOD FOR CERTAIN EXCESS BUSINESS HOLDINGS OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Section 4943(c) (relating to excess business holdings) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) 10-YEAR PERIOD TO DISPOSE OF CERTAIN LARGE GIFTS AND BEQUESTS.—

''(A) IN GENERAL.—Paragraph (6) shall be applied by substituting '10-year period' for '5-year period' if—

''(i) upon the election of a private foundation, it is established to the satisfaction of the Secretary that—

''(I) the excess business holdings (or increase in excess business holdings) in a business enterprise by the private foundation in an amount which is not less than $1,000,000,000 is the result of a gift or bequest the fair market value of which is not less than $1,000,000,000, and

''(II) after such gift or bequest, the private foundation does not have effective control of such business enterprise to which such gift or bequest relates,

''(ii) subject to subparagraph (C), the private foundation submits to the Secretary with such election a reasonable plan for disposing of all of the excess business holdings related to such gift or bequest, and

''(iii) the private foundation certifies annually to the Secretary that the private foundation is complying with the plan submitted under this paragraph, the requirement under clause (i)(II), and the rules under subparagraph (D).

''(B) ELECTION.—Any election under subparagraph (A)(i) shall be made not later than 6 months after the date of such gift or bequest and shall—

''(i) establish the fair market value of such gift or bequest, and

''(ii) include a certification that the requirement of subparagraph (A)(i)(II) is met.

''(C) REASONABLENESS OF PLAN.—

''(i) IN GENERAL.—Any plan submitted under subparagraph (A)(ii) shall be presumed reasonable unless the Secretary notifies the private foundation to the contrary not later than 6 months after the submission of such plan.

''(ii) RESUBMISSION.—Upon notice by the Secretary under clause (i), the private foundation may resubmit a plan and shall have the burden of establishing the reasonableness of such plan to the Secretary.

''(D) SPECIAL RULES.—During any period in which an election under this paragraph is in effect—

''(i) section 4941(d)(2) (other than subparagraph (A) thereof) shall apply only with respect to any disqualified person described in section 4941(a)(1)(B),

''(ii) section 4942(a) shall be applied by substituting 'third' for 'second' both places it appears,

''(iii) section 4942(e)(1) shall be applied by substituting '12 percent' for '5 percent', and

''(iv) section 4942(g)(1)(A) shall be applied without regard to any portion of reasonable and necessary administrative expenses.

''(E) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2003, the $1,000,000,000 amount under subparagraph (A)(i)(I) shall be increased by an amount equal to such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2002' for '1992' in subparagraph (B) thereof. If the $1,000,000,000 amount as increased under this subparagraph is not a multiple of $100,000,000, such amount shall be rounded to the next lowest multiple of $100,000,000.''.

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

TITLE II—PROPOSALS IMPROVING THE OVERSIGHT OF TAX-EXEMPT ORGANIZATIONS

SEC. 201. DISCLOSURE OF WRITTEN DETERMINATIONS.

(a) IN GENERAL.—Section 6110(l) (relating to section not to apply) is amended by striking all matter before subparagraph (A) of paragraph (2) and inserting the following:

''(l) SECTION NOT TO APPLY.—

''(1) IN GENERAL.—This section shall not apply to any matter to which section 6104 or 6105 applies, except that this section shall apply to any written determination and related background file document relating to an organization described under subsection (c) or (d) of section 501 (including any written determination denying an organization tax-exempt status under such subsection) or a political organization described in section 527 which is not required to be disclosed by section 6104(a)(1)(A).

''(2) ADDITIONAL MATTERS.—This section shall not apply to any—''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to written determinations issued after the date of the enactment of this Act.

SEC. 202. DISCLOSURE OF INTERNET WEB SITE AND NAME UNDER WHICH ORGANIZATION DOES BUSINESS.

(a) IN GENERAL.—Section 6033 (relating to returns by exempt organizations) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) DISCLOSURE OF NAME UNDER WHICH ORGANIZATION DOES BUSINESS AND ITS INTERNET WEB SITE.—Any organization which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

''(1) any name under which such organization operates or does business, and

''(2) the Internet web site address (if any) of such organization.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns filed after December 31, 2003.

SEC. 203. MODIFICATION TO REPORTING CAPITAL TRANSACTIONS.

(a) REQUIREMENT OF SUMMARY REPORT.—Section 6033(c) (relating to additional provisions relating to private foundations) is amended by adding at the end the following new sentence: ''Any information included in an annual return regarding the gain or loss from the sale or other disposition of stock or securities which are listed on an established securities market which is required to be furnished in order to calculate the tax on net investment income shall also be reported in summary form with a notice that detailed information is available upon request by the public.''.

(b) DISCLOSURE REQUIREMENT.—Section 6104(b) (relating to inspection of annual information returns), as amended by this Act, is amended by adding at the end the following new sentence: ''With respect to any private foundation (as defined in section 509(a)), any information regarding the gain or loss from the sale or other disposition of stock or securities which are listed on an established securities market which is required to be furnished in order to calculate the tax on net investment income but which is not in summary form is not required to be made available to the public under this subsection except upon the explicit request by a member of the public to the Secretary.''.

(c) PUBLIC INSPECTION REQUIREMENT.—Section 6104(d) (relating to public inspection of certain annual returns, applications for exemptions, and notices of status) is amended by adding at the end the following new paragraph:

''(9) APPLICATION TO PRIVATE FOUNDATION CAPITAL TRANSACTION INFORMATION.—With respect to any private foundation (as defined in section 509(a)), any information regarding the gain or loss from the sale or other disposition of stock or securities which are listed on an established securities market which is required to be furnished in order to calculate the tax on net investment income but which is not in summary form is not required to be made available to the public under this subsection except upon the explicit request by a member of the public to the private foundation in the form and manner of a request described in paragraph (1)(B).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns filed after December 31, 2003.

SEC. 204. DISCLOSURE THAT FORM 990 IS PUBLICLY AVAILABLE.

(a) IN GENERAL.—The Commissioner of the Internal Revenue shall notify the public in appropriate publications or other materials of the extent to which an exempt organization's Form 990, Form 990–EZ, or Form 990–PF is publicly available.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to publications or other materials issued or revised after the date of the enactment of this Act.

SEC. 205. DISCLOSURE TO STATE OFFICIALS OF PROPOSED ACTIONS RELATED TO SECTION 501(c) ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 6104 is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) DISCLOSURE OF PROPOSED ACTIONS RELATED TO CHARITABLE ORGANIZATIONS.—

''(A) SPECIFIC NOTIFICATIONS.—In the case of an organization to which paragraph (1) applies, the Secretary may disclose to the appropriate State officer—

''(i) a notice of proposed refusal to recognize such organization as an organization described in section 501(c)(3) or a notice of proposed revocation of such organization's recognition as an organization exempt from taxation,

''(ii) the issuance of a letter of proposed deficiency of tax imposed under section 507 or chapter 41 or 42, and

''(iii) the names, addresses, and taxpayer identification numbers of organizations which have applied for recognition as organizations described in section 501(c)(3).

''(B) ADDITIONAL DISCLOSURES.—Returns and return information of organizations with respect to which information is disclosed under subparagraph (A) may be made available for inspection by or disclosed to an appropriate State officer.

''(C) PROCEDURES FOR DISCLOSURE.—Information may be inspected or disclosed under subparagraph (A) or (B) only—

''(i) upon written request by an appropriate State officer, and

''(ii) for the purpose of, and only to the extent necessary in, the administration of State laws regulating such organizations.

Such information may only be inspected by or disclosed to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

''(D) DISCLOSURES OTHER THAN BY REQUEST.—The Secretary may make available for inspection or disclose returns and return information of an organization to which paragraph (1) applies to an appropriate State officer of any State if the Secretary determines that such inspection or disclosure may facilitate the resolution of Federal or State issues relating to the tax-exempt status of such organization.

''(3) DISCLOSURE WITH RESPECT TO CERTAIN OTHER EXEMPT ORGANIZATIONS.—Upon written request by an appropriate State officer, the Secretary may make available for inspection or disclosure returns and return information of an organization described in paragraph (2), (4), (6), (7), (8), (10), or (13) of section 501(c) for the purpose of, and to the extent necessary in, the administration of State laws regulating the solicitation or administration of the charitable funds or charitable assets of such organizations. Such information may be inspected only by or disclosed only to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

''(4) USE IN CIVIL JUDICIAL AND ADMINISTRATIVE PROCEEDINGS.—Returns and return information disclosed pursuant to this subsection may be disclosed in civil administrative and civil judicial proceedings pertaining to the enforcement of State laws regulating such organizations in a manner prescribed by the Secretary similar to that for tax administration proceedings under section 6103(h)(4).

''(5) NO DISCLOSURE IF IMPAIRMENT.—Returns and return information shall not be disclosed under this subsection, or in any proceeding described in paragraph (4), to the extent that the Secretary determines that such disclosure would seriously impair Federal tax administration.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) RETURN AND RETURN INFORMATION.—The terms 'return' and 'return information' have the respective meanings given to such terms by section 6103(b).

''(B) APPROPRIATE STATE OFFICER.—The term 'appropriate State officer' means—

''(i) the State attorney general,

''(ii) in the case of an organization to which paragraph (1) applies, any other State official charged with overseeing organizations of the type described in section 501(c)(3), and

''(iii) in the case of an organization to which paragraph (3) applies, the head of an agency designated by the State attorney general as having primary responsibility for overseeing the solicitation of funds for charitable purposes.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 6103 is amended—

(A) by inserting ''or any appropriate State officer who has or had access to returns or return information under section 6104(c)'' after ''this section'' in paragraph (2), and

(B) by striking ''or subsection (n)'' in paragraph (3) and inserting ''subsection (n), or section 6104(c)''.

(2) Subparagraph (A) of section 6103(p)(3) is amended by inserting ''and section 6104(c)'' after ''section'' in the first sentence.

(3) Paragraph (4) of section 6103(p), as amended by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961), is amended by striking ''or (17)'' after ''any other person described in subsection (l)(16)'' each place it appears and inserting ''or (18) or any appropriate State officer (as defined in section 6104(c))''.

(4) The heading for paragraph (1) of section 6104(c) is amended by inserting ''FOR CHARITABLE ORGANIZATIONS''.

(5) Paragraph (2) of section 7213(a) is amended by inserting ''or under section 6104(c)'' after ''6103''.

(6) Paragraph (2) of section 7213A(a) is amended by inserting ''or 6104(c)'' after ''6103''.

(7) Paragraph (2) of section 7431(a) is amended by inserting ''(including any disclosure in violation of section 6104(c))'' after ''6103''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act but shall not apply to requests made before such date.

SEC. 206. EXPANSION OF PENALTIES TO PREPARERS OF FORM 990.

(a) IN GENERAL.—Section 6695 (relating to other assessable penalties with respect to the preparation of income tax returns for other persons) is amended by adding at the end the following new subsections:

''(h) CERTAIN OMISSIONS AND MISREPRESENTATIONS.—

''(1) IN GENERAL.—Any person who prepares for compensation any return under section 6033 who omits or misrepresents any information with respect to such return which was known or should have been known by such person shall pay a penalty of $250 with respect to such return.

''(2) EXCEPTION FOR MINOR, INADVERTENT OMISSIONS.—Paragraph (1) shall not apply to minor, inadvertent omissions.

''(3) RULES FOR DETERMINING RETURN PREPARER.—For purposes of this subsection and subsection (i), any reference to a person who prepares for compensation a return under section 6033—

''(A) shall include any person who employs 1 or more persons to prepare for compensation a return under section 6033, and

''(B) shall not include any person who would be described in clause (i), (ii), (iii), or (iv) of section 7701(a)(36)(B) if such section referred to a return under section 6033.

''(i) WILLFUL OR RECKLESS CONDUCT.—

''(1) IN GENERAL.—Any person who prepares for compensation any return under section 6033 who recklessly or intentionally misrepresents any information or recklessly or intentionally disregards any rule or regulation with respect to such return shall pay a penalty of $1,000 with respect to such return.

''(2) COORDINATION WITH OTHER PENALTIES.—With respect to any return, the amount of the penalty payable by any person by reason of paragraph (1) shall be reduced by the amount of the penalty paid by such person by reason of subsection (h) or section 6694.''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 6695 is amended by inserting ''**AND OTHER**'' after ''**INCOME TAX**''.

(2) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by inserting ''and other'' after ''income tax''.

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

SEC. 207. NOTIFICATION REQUIREMENT FOR ENTITIES NOT CURRENTLY REQUIRED TO FILE.

(a) IN GENERAL.—Section 6033 (relating to returns by exempt organizations), as amended by this Act, is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) ADDITIONAL NOTIFICATION REQUIREMENTS.—Any organization the gross receipts of which in any taxable year result in such organization being referred to in subsection (a)(2)(A)(ii) or (a)(2)(B)—

''(1) shall furnish annually, at such time and in such manner as the Secretary may by forms or regulations prescribe, information setting forth—

''(A) the legal name of the organization,

''(B) any name under which such organization operates or does business,

''(C) the organization's mailing address and Internet web site address (if any),

''(D) the organization's taxpayer identification number,

''(E) the name and address of a principal officer, and

''(F) evidence of the continuing basis for the organization's exemption from the filing requirements under subsection (a)(1), and

''(2) upon the termination of the existence of the organization, shall furnish notice of such termination.''.

(b) LOSS OF EXEMPT STATUS FOR FAILURE TO FILE RETURN OR NOTICE.—Section 6033 (relating to returns by exempt organizations), as amended by subsection (a), is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) LOSS OF EXEMPT STATUS FOR FAILURE TO FILE RETURN OR NOTICE.—

''(1) IN GENERAL.—If an organization described in subsection (a)(1) or (i) fails to file an annual return or notice required under either subsection for 3 consecutive years, such organization's status as an organization exempt from tax under section 501(a) shall be considered revoked on and after the date set by the Secretary for the filing of the third annual return or notice. The Secretary shall publish and maintain a list of any organization the status of which is so revoked.

''(2) APPLICATION NECESSARY FOR REINSTATEMENT.—Any organization the tax-exempt status of which is revoked under paragraph (1) must apply in order to obtain reinstatement of such status regardless of whether such organization was originally required to make such an application.

''(3) RETROACTIVE REINSTATEMENT IF REASONABLE CAUSE SHOWN FOR FAILURE.—If upon application for reinstatement of status as an organization exempt from tax under section 501(a), an organization described in paragraph (1) can show to the satisfaction of the Secretary evidence of reasonable cause for the failure described in such paragraph, the organization's exempt status may, in the discretion of the Secretary, be reinstated effective from the date of the revocation under such paragraph.''.

(c) NO DECLARATORY JUDGMENT RELIEF.—Section 7428(b) (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) NONAPPLICATION FOR CERTAIN REVOCATIONS.—No action may be brought under this section with respect to any revocation of status described in section 6033(j)(1).''.

(d) NO INSPECTION REQUIREMENT.—Section 6104(b) (relating to inspection of annual information returns) is amended by inserting ''(other than subsection (i) thereof)'' after ''6033''.

(e) NO DISCLOSURE REQUIREMENT.—Section 6104(d)(3) (relating to exceptions from disclosure requirements) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) NONDISCLOSURE OF ANNUAL NOTICES.—Paragraph (1) shall not require the disclosure of any notice required under section 6033(i).''.

(f) NO MONETARY PENALTY FOR FAILURE TO NOTIFY.—Section 6652(c)(1) (relating to annual returns under section 6033 or 6012(a)(6)) is amended by adding at the end the following new subparagraph:

''(E) NO PENALTY FOR CERTAIN ANNUAL NOTICES.—This paragraph shall not apply with respect to any notice required under section 6033(i).''.

(g) SECRETARIAL OUTREACH REQUIREMENTS.—

(1) NOTICE REQUIREMENT.—The Secretary of the Treasury shall notify in a timely manner every organization described in section 6033(i) of the Internal Revenue Code of 1986 (as added by this section) of the requirement under such section 6033(i) and of the penalty established under section 6033(j)—

(A) by mail, in the case of any organization the identity and address of which is included

in the list of exempt organizations maintained by the Secretary, and

(B) by Internet or other means of outreach, in the case of any other organization.

(2) LOSS OF STATUS PENALTY FOR FAILURE TO FILE RETURN.—The Secretary of the Treasury shall publicize in a timely manner in appropriate forms and instructions and through other appropriate means, the penalty established under section 6033(j) of such Code for the failure to file a return under section 6033(a)(1) of such Code.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to notices and returns with respect to annual periods beginning after 2003.

SEC. 208. SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Section 501 of the Internal Revenue Code of 1986 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.—

''(1) IN GENERAL.—The exemption from tax under subsection (a) with respect to any organization described in paragraph (2), and the eligibility of any organization described in paragraph (2) to apply for recognition of exemption under subsection (a), shall be suspended during the period described in paragraph (3).

''(2) TERRORIST ORGANIZATIONS.—An organization is described in this paragraph if such organization is designated or otherwise individually identified—

''(A) under section 212(a)(3)(B)(vi)(II) or 219 of the Immigration and Nationality Act as a terrorist organization or foreign terrorist organization,

''(B) in or pursuant to an Executive order which is related to terrorism and issued under the authority of the International Emergency Economic Powers Act or section 5 of the United Nations Participation Act of 1945 for the purpose of imposing on such organization an economic or other sanction, or

''(C) in or pursuant to an Executive order issued under the authority of any Federal law if—

''(i) the organization is designated or otherwise individually identified in or pursuant to such Executive order as supporting or engaging in terrorist activity (as defined in section 212(a)(3)(B) of the Immigration and Nationality Act) or supporting terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989); and

''(ii) such Executive order refers to this subsection.

''(3) PERIOD OF SUSPENSION.—With respect to any organization described in paragraph (2), the period of suspension—

''(A) begins on the later of—

''(i) the date of the first publication of a designation or identification described in paragraph (2) with respect to such organization, or

''(ii) the date of the enactment of this subsection, and

''(B) ends on the first date that all designations and identifications described in paragraph (2) with respect to such organization are rescinded pursuant to the law or Executive order under which such designation or identification was made.

''(4) DENIAL OF DEDUCTION.—No deduction shall be allowed under any provision of this title, including sections 170, 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), and 2522, with respect to any contribution to an organization described in paragraph (2) during the period described in paragraph (3).

''(5) DENIAL OF ADMINISTRATIVE OR JUDICIAL CHALLENGE OF SUSPENSION OR DENIAL OF DEDUCTION.—Notwithstanding section 7428 or any other provision of law, no organization or other person may challenge a suspension under paragraph (1), a designation or identification described in paragraph (2), the period of suspension described in paragraph (3), or a denial of a deduction under paragraph (4) in any administrative or judicial proceeding relating to the Federal tax liability of such organization or other person.

''(6) ERRONEOUS DESIGNATION.—

''(A) IN GENERAL.—If—

''(i) the tax exemption of any organization described in paragraph (2) is suspended under paragraph (1),

''(ii) each designation and identification described in paragraph (2) which has been made with respect to such organization is determined to be erroneous pursuant to the law or Executive order under which such designation or identification was made, and

''(iii) the erroneous designations and identifications result in an overpayment of income tax for any taxable year by such organization,

credit or refund (with interest) with respect to such overpayment shall be made.

''(B) WAIVER OF LIMITATIONS.—If the credit or refund of any overpayment of tax described in subparagraph (A)(iii) is prevented at any time by the operation of any law or rule of law (including res judicata), such credit or refund may nevertheless be allowed or made if the claim therefor is filed before the close of the 1-year period beginning on the date of the last determination described in subparagraph (A)(ii).

''(7) NOTICE OF SUSPENSIONS.—If the tax exemption of any organization is suspended under this subsection, the Internal Revenue Service shall update the listings of tax-exempt organizations and shall publish appropriate notice to taxpayers of such suspension and of the fact that contributions to such organization are not deductible during the period of such suspension.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to designations made before, on, or after the date of the enactment of this Act.

TITLE III—OTHER CHARITABLE AND EXEMPT ORGANIZATION PROVISIONS

SEC. 301. MODIFICATION OF EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust which has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 302. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) (relating to special rules for certain amounts received from controlled entities) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received or accrued by the controlling organization that exceeds the amount which would have been paid or accrued if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of the larger of—

''(I) such excess determined without regard to any amendment or supplement to a return of tax, or

''(II) such excess determined with regard to all such amendments and supplements.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 did not apply to any amount received or accrued in the first 2 taxable years beginning on or after the date of the enactment of the Taxpayer Relief Act of 1997 under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 303. SIMPLIFICATION OF LOBBYING EXPENDITURE LIMITATION.

(a) REPEAL OF GRASSROOTS EXPENDITURE LIMIT.—Paragraph (1) of section 501(h) (relating to expenditures by public charities to influence legislation) is amended to read as follows:

''(1) GENERAL RULE.—In the case of an organization to which this subsection applies, exemption from taxation under subsection (a) shall be denied because a substantial part of the activities of such organization consists of carrying on propaganda, or otherwise attempting, to influence legislation, but only if such organization normally makes lobbying expenditures in excess of the lobbying ceiling amount for such organization for each taxable year.''.

(b) EXCESS LOBBYING EXPENDITURES.—Section 4911(b) is amended to read as follows:

''(b) EXCESS LOBBYING EXPENDITURES.—For purposes of this section, the term 'excess lobbying expenditures' means, for a taxable year, the amount by which the lobbying expenditures made by the organization during the taxable year exceed the lobbying nontaxable amount for such organization for such taxable year.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 501(h)(2) is amended by striking subparagraphs (C) and (D).

(2) Section 4911(c) is amended by striking paragraphs (3) and (4).

(3) Paragraph (1)(A) of section 4911(f) is amended by striking ''limits of section 501(h)(1) have'' and inserting ''limit of section 501(h)(1) has''.

(4) Paragraph (1)(C) of section 4911(f) is amended by striking ''limits of section 501(h)(1) are'' and inserting ''limit of section 501(h)(1) is''.

(5) Paragraphs (4)(A) and (4)(B) of section 4911(f) are each amended by striking ''limits

of section 501(h)(1)'' and inserting ''limit of section 501(h)(1)''.

(6) Paragraph (8) of section 6033(b) (relating to certain organizations described in section 501(c)(3)) is amended by inserting ''and'' at the end of subparagraph (A) and by striking subparagraphs (C) and (D).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 304. EXPEDITED REVIEW PROCESS FOR CERTAIN TAX-EXEMPTION APPLICATIONS.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate (in this section, referred to as the ''Secretary'') shall adopt procedures to expedite the consideration of applications for exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 filed after December 31, 2003, by any organization that—

(1) is organized and operated for the primary purpose of providing social services;

(2) is seeking a contract or grant under a Federal, State, or local program that provides funding for social services programs;

(3) establishes that, under the terms and conditions of the contract or grant program, an organization is required to obtain such exempt status before the organization is eligible to apply for a contract or grant;

(4) includes with its exemption application a copy of its completed Federal, State, or local contract or grant application; and

(5) meets such other criteria as the Secretary deems appropriate for expedited consideration.

The Secretary may prescribe other similar circumstances in which such organizations may be entitled to expedited consideration.

(b) WAIVER OF APPLICATION FEE FOR EXEMPT STATUS.—Any organization that meets the conditions described in subsection (a) (without regard to paragraph (3) of that subsection) is entitled to a waiver of any fee for an application for exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 if the organization certifies that the organization has had (or expects to have) average annual gross receipts of not more than $50,000 during the preceding 4 years (or, in the case of an organization not in existence throughout the preceding 4 years, during such organization's first 4 years).

(c) SOCIAL SERVICES DEFINED.—For purposes of this section—

(1) IN GENERAL.—The term ''social services'' means services directed at helping people in need, reducing poverty, improving outcomes of low-income children, revitalizing low-income communities, and empowering low-income families and low-income individuals to become self-sufficient, including—

(A) child care services, protective services for children and adults, services for children and adults in foster care, adoption services, services related to the management and maintenance of the home, day care services for adults, and services to meet the special needs of children, older individuals, and individuals with disabilities (including physical, mental, or emotional disabilities);

(B) transportation services;

(C) job training and related services, and employment services;

(D) information, referral, and counseling services;

(E) the preparation and delivery of meals, and services related to soup kitchens or food banks;

(F) health support services;

(G) literacy and mentoring programs;

(H) services for the prevention and treatment of juvenile delinquency and substance abuse, services for the prevention of crime and the provision of assistance to the victims and the families of criminal offenders, and services related to the intervention in, and prevention of, domestic violence; and

(I) services related to the provision of assistance for housing under Federal law.

(2) EXCLUSIONS.—The term does not include a program having the purpose of delivering educational assistance under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) or under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 305. CLARIFICATION OF DEFINITION OF CHURCH TAX INQUIRY.

Subsection (i) of section 7611 (relating to section not to apply to criminal investigations, etc.) is amended by striking ''or'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', or'', and by inserting after paragraph (5) the following:

''(6) information provided by the Secretary related to the standards for exemption from tax under this title and the requirements under this title relating to unrelated business taxable income.''.

SEC. 306. EXPANSION OF DECLARATORY JUDGMENT REMEDY TO TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Paragraph (1) of section 7428(a) (relating to creation of remedy) is amended—

(1) in subparagraph (B) by inserting after ''509(a))'' the following: ''or as a private operating foundation (as defined in section 4942(j)(3))''; and

(2) by amending subparagraph (C) to read as follows:

''(C) with respect to the initial qualification or continuing qualification of an organization as an organization described in section 501(c) (other than paragraph (3)) or 501(d) which is exempt from tax under section 501(a), or''.

(b) COURT JURISDICTION.—Subsection (a) of section 7428 is amended in the material following paragraph (2) by striking ''United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia'' and inserting the following: ''United States Tax Court (in the case of any such determination or failure) or the United States Claims Court or the district court of the United States for the District of Columbia (in the case of a determination or failure with respect to an issue referred to in subparagraph (A) or (B) of paragraph (1)),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to pleadings filed with respect to determinations (or requests for determinations) made after December 31, 2002.

SEC. 307. DEFINITION OF CONVENTION OR ASSOCIATION OF CHURCHES.

Section 7701 (relating to definitions) is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this title, any organization which is otherwise a convention or association of churches shall not fail to so qualify merely because the membership of such organization includes individuals as well as churches or because individuals have voting rights in such organization.''.

SEC. 308. PAYMENTS BY CHARITABLE ORGANIZATIONS TO VICTIMS OF WAR ON TERRORISM AND FAMILIES OF ASTRONAUTS KILLED IN THE LINE OF DUTY.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) any payment made by an organization described in section 501(c)(3) of such Code to—

(A) a member of the Armed Forces of the United States, or to an individual of such member's immediate family, by reason of the death, injury, wounding, or illness of such member incurred as the result of the military response of the United States to the terrorist attacks against the United States on September 11, 2001, or

(B) an individual of an astronaut's immediate family by reason of the death of such astronaut occurring in the line of duty after December 31, 2002,

shall be treated as related to the purpose or function constituting the basis for such organization's exemption under section 501 of such Code if such payment is made using an objective formula which is consistently applied, and

(2) in the case of a private foundation (as defined in section 509 of such Code), any payment described in paragraph (1) shall not be treated as made to a disqualified person for purposes of section 4941 of such Code.

(b) EFFECTIVE DATES.—This section shall apply to—

(1) payments described in subsection (a)(1)(A) made after the date of the enactment of this Act and before September 11, 2004, and

(2) payments described in subsection (a)(1)(B) made after December 31, 2002.

SEC. 309. MODIFICATION OF SCHOLARSHIP FOUNDATION RULES.

In applying the limitations on the percentage of scholarship grants which may be awarded after the date of the enactment of this Act, to children of current or former employees under Revenue Procedure 76–47, such percentage shall be increased to 35 percent of the eligible applicants to be considered by the selection committee and to 20 percent of individuals eligible for the grants, but only if the foundation awarding the grants demonstrates that, in addition to meeting the other requirements of Revenue Procedure 76–47, it provides a comparable number and aggregate amount of grants during the same program year to individuals who are not such employees, children or dependents of such employees, or affiliated with the employer of such employees.

SEC. 310. TREATMENT OF CERTAIN HOSPITAL SUPPORT ORGANIZATIONS AS QUALIFIED ORGANIZATIONS FOR PURPOSES OF DETERMINING ACQUISITION INDEBTEDNESS.

(a) IN GENERAL.—Subparagraph (C) of section 514(c)(9) (relating to real property acquired by a qualified organization) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ''; or'', and by adding at the end the following new clause:

''(iv) a qualified hospital support organization (as defined in subparagraph (I)).''.

(b) QUALIFIED HOSPITAL SUPPORT ORGANIZATIONS.—Paragraph (9) of section 514(c) is amended by adding at the end the following new subparagraph:

''(I) QUALIFIED HOSPITAL SUPPORT ORGANIZATIONS.—For purposes of subparagraph (C)(iv), the term 'qualified hospital support organization' means, with respect to any eligible indebtedness (including any qualified refinancing of such eligible indebtedness), a support organization (as defined in section 509(a)(3)) which supports a hospital described in section 119(d)(4)(B) and with respect to which—

''(i) more than half of the organization's assets (by value) at any time since its organization—

''(I) were acquired, directly or indirectly, by testamentary gift or devise, and

''(II) consisted of real property, and

''(ii) the fair market value of the organization's real estate acquired, directly or indirectly, by gift or devise, exceeded 25 percent of the fair market value of all investment assets held by the organization immediately prior to the time that the eligible indebtedness was incurred.

For purposes of this subparagraph, the term 'eligible indebtedness' means indebtedness secured by real property acquired by the organization, directly or indirectly, by gift or devise, the proceeds of which are used exclusively to acquire any leasehold interest in such real property or for improvements on, or repairs to, such real property. A determination under clauses (i) and (ii) of this subparagraph shall be made each time such an eligible indebtedness (or the qualified refinancing of such an eligible indebtedness) is incurred. For purposes of this subparagraph, a refinancing of such an eligible indebtedness shall be considered qualified if such refinancing does not exceed the amount of the refinanced eligible indebtedness immediately before the refinancing.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to indebtedness incurred after December 31, 2003.

SEC. 311. CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts), as amended by this Act, is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $10,000 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—

''(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

''(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

''(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

''(iii) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contributions made after December 31, 2003.

SEC. 312. MATCHING GRANTS TO LOW-INCOME TAXPAYER CLINICS FOR RETURN PREPARATION.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by inserting after section 7526 the following new section:

''SEC. 7526A. RETURN PREPARATION CLINICS FOR LOW-INCOME TAXPAYERS.

''(a) IN GENERAL.—The Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified return preparation clinics.

''(b) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED RETURN PREPARATION CLINIC.—

''(A) IN GENERAL.—The term 'qualified return preparation clinic' means a clinic which—

''(i) does not charge more than a nominal fee for its services (except for reimbursement of actual costs incurred), and

''(ii) operates programs which assist low-income taxpayers in preparing and filing their Federal income tax returns, including schedules reporting sole proprietorship or farm income.

''(B) ASSISTANCE TO LOW-INCOME TAXPAYERS.—A clinic is treated as assisting low-income taxpayers under subparagraph (A)(ii) if at least 90 percent of the taxpayers assisted by the clinic have incomes which do not exceed 250 percent of the poverty level, as determined in accordance with criteria established by the Director of the Office of Management and Budget.

''(2) CLINIC.—The term 'clinic' includes—

''(A) a clinical program at an eligible educational institution (as defined in section 529(e)(5)) which satisfies the requirements of paragraph (1) through student assistance of taxpayers in return preparation and filing, and

''(B) an organization described in section 501(c) and exempt from tax under section 501(a) which satisfies the requirements of paragraph (1).

''(c) SPECIAL RULES AND LIMITATIONS.—

''(1) AGGREGATE LIMITATION.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $10,000,000 per year (exclusive of costs of administering the program) to grants under this section.

''(2) OTHER APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) through (5) of section 7526(c) shall apply with respect to the awarding of grants to qualified return preparation clinics.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:

''Sec. 7526A. Return preparation clinics for low-income taxpayers.''.

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

SEC. 313. EXEMPTION OF QUALIFIED 501(c)(3) BONDS FOR NURSING HOMES FROM FEDERAL GUARANTEE PROHIBITIONS.

(a) IN GENERAL.—Section 149(b)(3) (relating to exceptions) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION FOR QUALIFIED 501(C)(3) BONDS FOR NURSING HOMES.—

''(i) IN GENERAL.—Paragraph (1) shall not apply to any qualified 501(c)(3) bond issued before the date which is 1 year after the date of the enactment of this subparagraph for the benefit of an organization described in section 501(c)(3), if such bond is part of an issue the proceeds of which are used to finance 1 or more of the following facilities primarily for the benefit of the elderly:

''(I) Licensed nursing home facility.

''(II) Licensed or certified assisted living facility.

''(III) Licensed personal care facility.

''(IV) Continuing care retirement community.

''(ii) LIMITATION.—With respect to any calendar year, clause (i) shall not apply to any bond described in such clause if the aggregate authorized face amount of the issue of which such bond is a part when increased by the outstanding amount of such bonds issued by the issuer for such calendar year exceeds $15,000,000.

''(iii) CONTINUING CARE RETIREMENT COMMUNITY.—For purposes of this subparagraph, the term 'continuing care retirement community' means a community which provides, on the same campus, a continuum of residential living options and support services to persons at least 60 years of age under a written agreement. For purposes of the preceding sentence, the residential living options shall include independent living units, nursing home beds, and either assisted living units or personal care beds.''.

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

SEC. 314. EXCISE TAXES EXEMPTION FOR BLOOD COLLECTOR ORGANIZATIONS.

(a) EXEMPTION FROM IMPOSITION OF SPECIAL FUELS TAX.—Section 4041(g) (relating to other exemptions) is amended by striking ''and'' at the end of paragraph (3), by striking the period in paragraph (4) and inserting ''; and'', and by inserting after paragraph (4) the following new paragraph:

''(5) with respect to the sale of any liquid to a qualified blood collector organization (as defined in section 7701(a)(48)) for such organization's exclusive use, or with respect to the use by a qualified blood collector organization of any liquid as a fuel.''.

(b) EXEMPTION FROM MANUFACTURERS EXCISE TAX.—

(1) IN GENERAL.—Section 4221(a) (relating to certain tax-free sales) is amended by striking ''or'' at the end of paragraph (4), by adding ''or'' at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

''(6) to a qualified blood collector organization (as defined in section 7701(a)(48)) for such organization's exclusive use,''.

(2) CONFORMING AMENDMENTS.—

(A) The second sentence of section 4221(a) is amended by striking ''Paragraphs (4) and (5)'' and inserting ''Paragraphs (4), (5), and (6)''.

(B) Section 6421(c) is amended by striking ''or (5)'' and inserting ''(5), or (6)''.

(c) EXEMPTION FROM COMMUNICATION EXCISE TAX.—

(1) IN GENERAL.—Section 4253 (relating to exemptions) is amended by redesignating subsection (k) as subsection (l) and inserting after subsection (j) the following new subsection:

''(k) EXEMPTION FOR QUALIFIED BLOOD COLLECTOR ORGANIZATIONS.—Under regulations provided by the Secretary, no tax shall be imposed under section 4251 on any amount paid by a qualified blood collector organization (as defined in section 7701(a)) for services or facilities furnished to such organization.''.

(2) CONFORMING AMENDMENT.—Section 4253(l), as redesignated by paragraph (1), is amended by striking ''or (j)'' and inserting ''(j), or (k)''.

(d) CREDIT FOR REFUND FOR CERTAIN TAXES ON SALES AND SERVICES.—

(1) DEEMED OVERPAYMENT.—

(A) IN GENERAL.—Section 6416(b)(2) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) sold to a qualified blood collector organization's (as defined in section 7701(a)(48)) for such organization's exclusive use;''.

(B) CONFORMING AMENDMENTS.—Section 6416(b)(2) is amended—

(i) by striking ''Subparagraphs (C) and (D)'' and inserting ''Subparagraphs (C), (D), and (E)'', and

(ii) by striking ''(C), and (D)'' and inserting ''(C), (D), and (E)''.

(2) SALES OF TIRES.—Clause (ii) of section 6416(b)(4)(B) is amended by inserting ''sold to

a qualified blood collector organization (as defined in section 7701(a)(48)),'' after ''for its exclusive use,''.

(e) DEFINITION OF QUALIFIED BLOOD COLLECTOR ORGANIZATION.—Section 7701(a) is amended by inserting at the end the following new paragraph:

''(48) QUALIFIED BLOOD COLLECTOR ORGANIZATION.—For purposes of this title, the term 'qualified blood collector organization' means an organization which is—

''(A) described in section 501(c)(3) and exempt from tax under section 501(a),

''(B) registered by the Food and Drug Administration to collect blood, and

''(C) primarily engaged in the activity of the collection of blood.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to excise taxes imposed on sales or uses occurring on or after October 1, 2003.

(2) REFUND OF GASOLINE TAX.—For purposes of section 6421(c) of the Internal Revenue Code of 1986 and any other provision that allows for a refund or a payment in respect of an excise tax payable at a level before the sale to a qualified blood collector organization, the amendments made by this section shall apply with respect to sales to a qualified collector organization on or after October 1, 2003.

SEC. 315. PILOT PROJECT FOR FOREST CONSERVATION ACTIVITIES.

(a) TAX-EXEMPT BOND FINANCING.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, any qualified forest conservation bond shall be treated as an exempt facility bond under section 142 of such Code.

(2) QUALIFIED FOREST CONSERVATION BOND.—For purposes of this section, the term ''qualified forest conservation bond'' means any bond issued as part of an issue if—

(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3) of such Code) of such issue are to be used for qualified project costs,

(B) such bond is issued for a qualified organization, and

(C) such bond is issued before December 31, 2006.

(3) LIMITATION ON AGGREGATE AMOUNT ISSUED.—

(A) IN GENERAL.—The maximum aggregate face amount of bonds which may be issued under this subsection shall not exceed $2,000,000,000 for all projects (excluding refunding bonds).

(B) ALLOCATION OF LIMITATION.—The limitation described in subparagraph (A) shall be allocated by the Secretary of the Treasury among qualified organizations based on criteria established by the Secretary not later than 180 days after the date of the enactment of this section, after consultation with the Chief of the Forest Service.

(4) QUALIFIED PROJECT COSTS.—For purposes of this subsection, the term ''qualified project costs'' means the sum of—

(A) the cost of acquisition by the qualified organization from an unrelated person of forests and forest land which at the time of acquisition or immediately thereafter are subject to a conservation restriction described in subsection (c)(2),

(B) capitalized interest on the qualified forest conservation bonds for the 3-year period beginning on the date of issuance of such bonds, and

(C) credit enhancement fees which constitute qualified guarantee fees (within the meaning of section 148 of such Code).

(5) SPECIAL RULES.—In applying the Internal Revenue Code of 1986 to any qualified forest conservation bond, the following modifications shall apply:

(A) Section 146 of such Code (relating to volume cap) shall not apply.

(B) For purposes of section 147(b) of such Code (relating to maturity may not exceed 120 percent of economic life), the land and standing timber acquired with proceeds of qualified forest conservation bonds shall have an economic life of 35 years.

(C) Subsections (c) and (d) of section 147 of such Code (relating to limitations on acquisition of land and existing property) shall not apply.

(D) Section 57(a)(5) of such Code (relating to tax-exempt interest) shall not apply to interest on qualified forest conservation bonds.

(6) TREATMENT OF CURRENT REFUNDING BONDS.—Paragraphs (2)(C) and (3) shall not apply to any bond (or series of bonds) issued to refund a qualified forest conservation bond issued before December 31, 2006, if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

(C) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A) of such Code.

(7) EFFECTIVE DATE.—This subsection shall apply to obligations issued on or after the date which is 180 days after the enactment of this Act.

(b) ITEMS FROM QUALIFIED HARVESTING ACTIVITIES NOT SUBJECT TO TAX OR TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Income, gains, deductions, losses, or credits from a qualified harvesting activity conducted by a qualified organization shall not be subject to tax or taken into account under subtitle A of the Internal Revenue Code of 1986.

(2) LIMITATION.—The amount of income excluded from gross income under paragraph (1) for any taxable year shall not exceed the amount used by the qualified organization to make debt service payments during such taxable year for qualified forest conservation bonds.

(3) QUALIFIED HARVESTING ACTIVITY.—For purposes of paragraph (1)—

(A) IN GENERAL.—The term ''qualified harvesting activity'' means the sale, lease, or harvesting, of standing timber—

(i) on land owned by a qualified organization which was acquired with proceeds of qualified forest conservation bonds,

(ii) with respect to which a written acknowledgement has been obtained by the qualified organization from the State or local governments with jurisdiction over such land that the acquisition lessens the burdens of such government with respect to such land, and

(iii) pursuant to a qualified conservation plan adopted by the qualified organization.

(B) EXCEPTIONS.—

(i) CESSATION AS QUALIFIED ORGANIZATION.—The term ''qualified harvesting activity'' shall not include any sale, lease, or harvesting for any period during which the organization ceases to qualify as a qualified organization.

(ii) EXCEEDING LIMITS ON HARVESTING.—The term ''qualified harvesting activity'' shall not include any sale, lease, or harvesting of standing timber on land acquired with proceeds of qualified forest conservation bonds to the extent that—

(I) the average annual area of timber harvested from such land exceeds 2.5 percent of the total area of such land or,

(II) the quantity of timber removed from such land exceeds the quantity which can be removed from such land annually in perpetuity on a sustained-yield basis with respect to such land.

The limitations under subclauses (I) and (II) shall not apply to post-fire restoration and rehabilitation or sanitation harvesting of timber stands which are substantially damaged by fire, windthrow, or other catastrophes, or which are in imminent danger from insect or disease attack.

(4) TERMINATION.—This subsection shall not apply to any qualified harvesting activity of a qualified organization occurring after the date on which there is no outstanding qualified forest conservation bond with respect to such qualified organization or any such bond ceases to be a tax-exempt bond.

(5) PARTIAL RECAPTURE OF BENEFITS IF HARVESTING LIMIT EXCEEDED.—If, as of the date that this subsection ceases to apply under paragraph (3), the average annual area of timber harvested from the land exceeds the requirement of paragraph (3)(B)(ii)(I), the tax imposed by chapter 1 of the Internal Revenue Code of 1986 shall be increased, under rules prescribed by the Secretary of the Treasury, by the sum of the tax benefits attributable to such excess and interest at the underpayment rate under section 6621 of such Code for the period of the underpayment.

(c) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED CONSERVATION PLAN.—The term ''qualified conservation plan'' means a multiple land use program or plan which—

(A) is designed and administered primarily for the purposes of protecting and enhancing wildlife and fish, timber, scenic attributes, recreation, and soil and water quality of the forest and forest land,

(B) mandates that conservation of forest and forest land is the single-most significant use of the forest and forest land, and

(C) requires that timber harvesting be consistent with—

(i) restoring and maintaining reference conditions for the region's ecotype,

(ii) restoring and maintaining a representative sample of young, mid, and late successional forest age classes,

(iii) maintaining or restoring the resources' ecological health for purposes of preventing damage from fire, insect, or disease,

(iv) maintaining or enhancing wildlife or fish habitat, or

(v) enhancing research opportunities in sustainable renewable resource uses.

(2) CONSERVATION RESTRICTION.—The conservation restriction described in this paragraph is a restriction which—

(A) is granted in perpetuity to an unrelated person which is described in section 170(h)(3) of such Code and which, in the case of a nongovernmental unit, is organized and operated for conservation purposes,

(B) meets the requirements of clause (ii) or (iii)(II) of section 170(h)(4)(A) of such Code,

(C) obligates the qualified organization to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction, and

(D) requires an increasing level of conservation benefits to be provided whenever circumstances allow it.

(3) QUALIFIED ORGANIZATION.—The term ''qualified organization'' means an organization—

(A) which is a nonprofit organization substantially all the activities of which are charitable, scientific, or educational, including acquiring, protecting, restoring, managing, and developing forest lands and other

renewable resources for the long-term charitable, educational, scientific and public benefit,

(B) more than half of the value of the property of which consists of forests and forest land acquired with the proceeds from qualified forest conservation bonds,

(C) which periodically conducts educational programs designed to inform the public of environmentally sensitive forestry management and conservation techniques,

(D) which has at all times a board of directors—

(i) at least 20 percent of the members of which represent the holders of the conservation restriction described in paragraph (2),

(ii) at least 20 percent of the members of which are public officials, and

(iii) not more than one-third of the members of which are individuals who are or were at any time within 5 years before the beginning of a term of membership on the board, an employee of, independent contractor with respect to, officer of, director of, or held a material financial interest in, a commercial forest products enterprise with which the qualified organization has a contractual or other financial arrangement,

(E) the bylaws of which require at least two-thirds of the members of the board of directors to vote affirmatively to approve the qualified conservation plan and any change thereto, and

(F) upon dissolution, is required to dedicate its assets to—

(i) an organization described in section 501(c)(3) of such Code which is organized and operated for conservation purposes, or

(ii) a governmental unit described in section 170(c)(1) of such Code.

(4) UNRELATED PERSON.—The term ''unrelated person'' means a person who is not a related person.

(5) RELATED PERSON.—A person shall be treated as related to another person if—

(A) such person bears a relationship to such other person described in section 267(b) (determined without regard to paragraph (9) thereof), or 707(b)(1), of such Code, determined by substituting ''25 percent'' for ''50 percent'' each place it appears therein, and

(B) in the case such other person is a nonprofit organization, if such person controls directly or indirectly more than 25 percent of the governing body of such organization.

SEC. 316. CLARIFICATION OF TREATMENT OF JOHNNY MICHEAL SPANN PATRIOT TRUSTS.

(a) CLARIFICATION OF TAX-EXEMPT STATUS OF TRUSTS.—

(1) IN GENERAL.—Subsection (b) of section 601 of the Homeland Security Act of 2002 is amended to read as follows:

''(b) DESIGNATION OF JOHNNY MICHEAL SPANN PATRIOT TRUSTS.—Any charitable corporation, fund, foundation, or trust (or separate fund or account thereof) which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and meets the requirements described in subsection (c) shall be eligible to designate itself as a 'Johnny Micheal Spann Patriot trust'.''.

(2) CONFORMING AMENDMENT.—Section 601(c)(3) of such Act is amended by striking ''based'' and all that follows through ''Trust''.

(b) PUBLICLY AVAILABLE AUDITS.—Section 601(c)(7) of the Homeland Security Act of 2002 is amended by striking ''shall be filed with the Internal Revenue Service, and shall be open to public inspection'' and inserting ''shall be open to public inspection consistent with section 6104(d)(1) of the Internal Revenue Code of 1986''.

(c) CLARIFICATION OF REQUIRED DISTRIBUTIONS TO PRIVATE FOUNDATION.—

(1) IN GENERAL.—Section 601(c)(8) of the Homeland Security Act of 2002 is amended by striking ''not placed'' and all that follows and inserting ''not so distributed shall be contributed to a private foundation which is described in section 509(a) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which is dedicated to such beneficiaries not later than 36 months after the end of the fiscal year in which such funds, donations, or earnings are received.''.

(2) CONFORMING AMENDMENTS.—Section 601(c) of such Act is amended—

(A) by striking ''(or, if placed in a private foundation, held in trust for)'' in paragraph (1) and inserting ''(or contributed to a private foundation described in paragraph (8) for the benefit of)'', and

(B) by striking ''invested in a private foundation'' in paragraph (2) and inserting ''contributed to a private foundation described in paragraph (8)''.

(d) REQUIREMENTS FOR DISTRIBUTIONS FROM TRUSTS.—Section 601(c)(9)(A) of the Homeland Security Act of 2002 is amended by striking ''should'' and inserting ''shall''.

(e) REGULATIONS REGARDING NOTIFICATION OF TRUST BENEFICIARIES.—Section 601(f) of the Homeland Security Act of 2002 is amended by striking ''this section'' and inserting ''subsection (e)''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 601 of the Homeland Security Act of 2002.

TITLE IV—SOCIAL SERVICES BLOCK GRANT

SEC. 401. RESTORATION OF FUNDS FOR THE SOCIAL SERVICES BLOCK GRANT.

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

(1) On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) was signed into law.

(2) In enacting that law, Congress authorized $2,800,000,000 for fiscal year 2003 and each fiscal year thereafter to carry out the Social Services Block Grant program established under title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(b) RESTORATION OF FUNDS.—Section 2003(c)(11) of the Social Security Act (42 U.S.C. 1397b(c)(11)) is amended by inserting '', except that, with respect to fiscal year 2003, the amount shall be $1,975,000,000, and with respect to fiscal year 2004, the amount shall be $2,800,000,000'' after ''thereafter.''.

SEC. 402. RESTORATION OF AUTHORITY TO TRANSFER UP TO 10 PERCENT OF TANF FUNDS TO THE SOCIAL SERVICES BLOCK GRANT.

(a) IN GENERAL.—Section 404(d)(2) of the Social Security Act (42 U.S.C. 604(d)(2)) is amended to read as follows:

''(2) LIMITATION ON AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—A State may use not more than 10 percent of the amount of any grant made to the State under section 403(a) for a fiscal year to carry out State programs pursuant to title XX.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to amounts made available for fiscal year 2003 and each fiscal year thereafter.

SEC. 403. REQUIREMENT TO SUBMIT ANNUAL REPORT ON STATE ACTIVITIES.

(a) IN GENERAL.—Section 2006(c) of the Social Security Act (42 U.S.C. 1397e(c)) is amended by adding at the end the following: ''The Secretary shall compile the information submitted by the States and submit that information to Congress on an annual basis.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to information submitted by States under section 2006 of the Social Security Act (42 U.S.C. 1397e) with respect to fiscal year 2002 and each fiscal year thereafter.

TITLE V—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 501. SHORT TITLE.

This title may be cited as the ''Savings for Working Families Act of 2003''.

SEC. 502. PURPOSES.

The purposes of this title are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream,

(2) promote education, homeownership, and the development of small businesses,

(3) stabilize families and build communities, and

(4) support continued United States economic expansion.

SEC. 503. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means, with respect to any taxable year, an individual who—

(i) has attained the age of 18 but not the age of 61 as of the last day of such taxable year,

(ii) is a citizen or lawful permanent resident (within the meaning of section 7701(b)(6) of the Internal Revenue Code of 1986) of the United States as of the last day of such taxable year,

(iii) was not a student (as defined in section 151(c)(4) of such Code) for the immediately preceding taxable year,

(iv) is not an individual with respect to whom a deduction under section 151 of such Code is allowable to another taxpayer for a taxable year of the other taxpayer ending during the immediately preceding taxable year of the individual,

(v) is not a taxpayer described in subsection (c), (d), or (e) of section 6402 of such Code for the immediately preceding taxable year,

(vi) is not a taxpayer described in section 1(d) of such Code for the immediately preceding taxable year, and

(vii) is a taxpayer the modified adjusted gross income of whom for the immediately preceding taxable year does not exceed—

(I) $18,000, in the case of a taxpayer described in section 1(c) of such Code,

(II) $30,000, in the case of a taxpayer described in section 1(b) of such Code, and

(III) $38,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2004, each dollar amount referred to in subparagraph (A)(vii) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2003'' for ''1992''.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A)(v), the term ''modified adjusted gross income'' means adjusted gross income—

(i) determined without regard to sections 86, 893, 911, 931, and 933 of the Internal Revenue Code of 1986, and

(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account''

means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash, and, except in the case of any qualified rollover, contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual.

(C) The trustee of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 507(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the trustee of which is a qualified financial institution.

(4) QUALIFIED FINANCIAL INSTITUTION.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2) of the Internal Revenue Code of 1986.

(5) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development account program'' means a program established upon approval of the Secretary under section 504 after December 31, 2002, under which—

(A) Individual Development Accounts and parallel accounts are held in trust by a qualified financial institution, and

(B) additional activities determined by the Secretary, in consultation with the Secretary of Health and Human Services, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to Account owners, and regular program monitoring, are carried out by the qualified financial institution.

(6) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account or a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents,

(ii) is paid by the qualified financial institution—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due,

(II) in the case of any qualified rollover, directly to another Individual Development Account and parallel account, or

(III) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased Account owner, and

(iii) is paid after the Account owner has completed a financial education course if required under section 505(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following expenses approved by the qualified financial institution:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 529(e)(3) of the Internal Revenue Code of 1986, determined by treating the Account owner, the owner's spouse, or one or more of the owner's dependents as a designated beneficiary, and reduced as provided in section 25A(g)(2) of such Code.

(II) COORDINATION WITH OTHER BENEFITS.—The amount of expenses which may be taken into account for purposes of section 135, 529, or 530 of such Code for any taxable year shall be reduced by the amount of any qualified higher education expenses taken into account as qualified expense distributions during such taxable year.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8)(C) of the Internal Revenue Code of 1986) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8)(D)(i) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures normally associated with starting or expanding a business and included in a qualified business plan, including costs for capital, plant, and equipment, inventory expenses, and attorney and accounting fees.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which has been approved by the qualified financial institution and which meets such requirements as the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution for the benefit of the Account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ''qualified final distribution'' means, in the case of a deceased Account owner, the complete distribution of the amounts in the Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 504. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution may apply to the Secretary for approval to establish 1 or more qualified individual development account programs which meet the requirements of this title and for an allocation of the Individual Development Account limitation under section 45G(i)(3) of the Internal Revenue Code of 1986 with respect to such programs.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components for each participant:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 505.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 506.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(3) NO FEES MAY BE CHARGED TO IDAS.—A qualified financial institution may not charge any fees to any Individual Development Account or parallel account under a qualified individual development account program.

(c) COORDINATION WITH PUBLIC HOUSING AGENCY INDIVIDUAL SAVINGS ACCOUNTS.—Section 3(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(e)(2)) is amended by inserting ''or in any Individual Development Account established under the Savings for Working Families Act of 2003'' after ''subsection''.

(d) TAX TREATMENT OF PARALLEL ACCOUNTS.—

(1) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7528. TAX INCENTIVES FOR INDIVIDUAL DEVELOPMENT PARALLEL ACCOUNTS.

''For purposes of this title—

''(1) any account described in section 504(b)(1)(B) of the Savings for Working Families Act of 2003 shall be exempt from taxation,

''(2) except as provided in section 45G, no item of income, expense, basis, gain, or loss with respect to such an account may be taken into account, and

''(3) any amount withdrawn from such an account shall not be includible in gross income.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7528. Tax incentives for individual development parallel accounts.''.

(e) COORDINATION OF CERTAIN EXPENSES.—Section 25A(g)(2) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) a qualified expense distribution with respect to qualified higher education expenses from an Individual Development Account or a parallel account under section 507(a) of the Savings for Working Families Act of 2003.''.

SEC. 505. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution upon certification that such individual has never maintained any other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw funds to pay for qualified expenses, owners of Individual Development Accounts must complete 1 or more financial education courses specified in the qualified individual development account program.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary, in consultation

with representatives of qualified individual development account programs and financial educators, shall not later than January 1, 2004, establish minimum quality standards for the contents of financial education courses and providers of such courses described in paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) in the case of hardship, lack of need, the attainment of age 65, or a qualified final distribution.

(c) PROOF OF STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms for the immediately preceding taxable year and any other evidence of eligibility which may be required by a qualified financial institution shall be presented to such institution at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 506(b)(1)(A).

(d) SPECIAL RULE IN THE CASE OF MARRIED INDIVIDUALS.—For purposes of this title, if, with respect to any taxable year, 2 married individuals file a Federal joint income tax return, then not more than 1 of such individuals may be treated as an eligible individual with respect to the succeeding taxable year.

SEC. 506. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution shall deposit into the parallel account with respect to each eligible individual the following amounts:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year of such individual.

(B) Any matching funds provided by State, local, or private sources in accordance with the matching ratio set by those sources.

(2) TIMING OF DEPOSITS.—A deposit of the amounts described in paragraph (1) shall be made into a parallel account—

(A) in the case of amounts described in paragraph (1)(A), not later than 30 days after the end of the calendar quarter during which the contribution described in such paragraph was made, and

(B) in the case of amounts described in paragraph (1)(B), not later than 2 business days after such amounts were provided.

(3) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 45G of the Internal Revenue Code of 1986.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 65.—In the case of an Individual Development Account owner who attains the age of 65, the qualified financial institution shall deposit the funds in the parallel account with respect to such individual into the Individual Development Account of such individual on the later of—

(1) the day which is the 1-year anniversary of the deposit of such funds in the parallel account, or

(2) the first business day of the taxable year of such individual following the taxable year in which such individual attained age 65.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 45G of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 507. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—

(1) IN GENERAL.—An Individual Development Account owner may withdraw funds in order to pay qualified expense distributions from such individual's—

(A) Individual Development Account, but only from funds which have been on deposit in such Account for at least 1 year, and

(B) parallel account, but only—

(i) from matching funds which have been on deposit in such parallel account for at least 1 year,

(ii) from earnings in such parallel account, after all matching funds described in clause (i) have been withdrawn, and

(iii) to the extent such withdrawal does not result in a remaining balance in such parallel account which is less than the remaining balance in the Individual Development Account after such withdrawal.

(2) PROCEDURE.—Upon receipt of a withdrawal request which meets the requirements of paragraph (1), the qualified financial institution shall directly transfer the funds electronically to the distributees described in section 503(6)(A)(ii). If a distributee is not equipped to receive funds electronically, the qualified financial institution may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expense distributions, but if, after such withdrawal, the amount in the parallel account of such owner (excluding earnings on matching funds) exceeds the amount remaining in such Individual Development Account, then such owner shall forfeit from the parallel account the lesser of such excess or the amount withdrawn.

(c) WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 506(b)(1)(A) for contributions which are made to the Account during any taxable year when such individual is not an eligible individual.

(d) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year of the individual for whose benefit an Individual Development Account is established, that individual uses the Account, the individual's parallel account, or any portion thereof as security for a loan, the portion so used shall be treated as a withdrawal of such portion from the Individual Development Account for purposes other than to pay qualified expenses.

SEC. 508. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 504, a qualified financial institution shall certify to the Secretary at such time and in such manner as may be prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 504(b)(1) are operating pursuant to all the provisions of this title, and

(2) the qualified financial institution agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 509. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Each qualified financial institution that operates a qualified individual development account program under section 504 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(A) the number of individuals making contributions into Individual Development Accounts and the amounts contributed,

(B) the amounts contributed into Individual Development Accounts by eligible individuals and the amounts deposited into parallel accounts for matching funds,

(C) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn,

(D) the balances remaining in Individual Development Accounts and parallel accounts, and

(E) such other information needed to help the Secretary monitor the effectiveness of the qualified individual development account program (provided in a non-individually-identifiable manner).

(2) ADDITIONAL REPORTING REQUIREMENTS.—Each qualified financial institution that operates a qualified individual development account program under section 504 shall report at such time and in such manner as the Secretary may prescribe any additional information that the Secretary requires to be provided for purposes of administering and supervising the qualified individual development account program. This additional data may include, without limitation, identifying information about Individual Development Account owners, their Accounts, additions to the Accounts, and withdrawals from the Accounts.

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary, in consultation with the Secretary of Health and Human Services, shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 504.

(2) ANNUAL REPORTS.—For each year after 2004, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall, to the extent data are available, include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income,

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics,

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs, and

(D) process information on program implementation and administration, especially on problems encountered and how problems were solved.

(3) REAUTHORIZATION REPORT ON COST AND OUTCOMES OF IDAS.—

(A) IN GENERAL.—Not later than July 1, 2008, the Secretary of the Treasury shall submit a report to Congress and the chairmen and ranking members of the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means, the Committee on Banking and Financial Services, and the Committee on Education and the Workforce of the House of Representatives, in which the Secretary shall—

(i) summarize the previously submitted annual reports required under paragraph (2),

(ii) from a representative sample of qualified individual development account programs, include an analysis of—

(I) the economic, social, and behavioral outcomes,

(II) the changes in savings rates, asset holdings, and household debt, and overall changes in economic stability,

(III) the changes in outlooks, attitudes, and behavior regarding savings strategies, investment, education, and family,

(IV) the integration into the financial mainstream, including decreased reliance on alternative financial services, and increase in acquisition of mainstream financial products, and

(V) the involvement in civic affairs, including neighborhood schools and associations, associated with participation in qualified individual development account programs,

(iii) from a representative sample of qualified individual development account programs, include a comparison of outcomes associated with such programs with outcomes associated with other Federal Government social and economic development programs, including asset building programs, and

(iv) make recommendations regarding the reauthorization of the qualified individual development account programs, including—

(I) recommendations regarding reforms that will improve the cost and outcomes of the such programs, including the ability to help low income families save and accumulate productive assets,

(II) recommendations regarding the appropriate levels of subsidies to provide effective incentives to financial institutions and Account owners under such programs, and

(III) recommendations regarding how such programs should be integrated into other Federal poverty reduction, asset building, and community development policies and programs.

(B) AUTHORIZATION.—There is authorized to be appropriated $2,500,000, for carrying out the purposes of this paragraph.

(4) USE OF ACCOUNTS IN RURAL AREAS ENCOURAGED.—The Secretary shall develop methods to encourage the use of Individual Development Accounts in rural areas.

SEC. 510. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2004 and for each fiscal year through 2012, for the purposes of implementing this title, including the reporting, monitoring, and evaluation required under section 509, to remain available until expended.

SEC. 511. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45G. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT.

''(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the individual development account investment credit determined under this section with respect to any eligible entity for any taxable year is an amount equal to the individual development account investment provided by such eligible entity during the taxable year under an individual development account program established under section 504 of the Savings for Working Families Act of 2003.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program in any taxable year, an amount equal to the sum of—

''(1) the aggregate amount of dollar-for-dollar matches under such program under section 506(b)(1)(A) of the Savings for Working Families Act of 2003 for such taxable year, plus

''(2) $50 with respect to each Individual Development Account maintained—

''(A) as of the end of such taxable year, but only if such taxable year is within the 7-taxable-year period beginning with the taxable year in which such Account is opened, and

''(B) with a balance of not less than $100 (other than the taxable year in which such Account is opened).

''(d) ELIGIBLE ENTITY.—For purposes of this section, except as provided in regulations, the term 'eligible entity' means a qualified financial institution.

''(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in the Savings for Working Families Act of 2003 shall have the meaning given such term by such Act.

''(f) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which—

''(A) is taken into account under subsection (c)(1)(A) in determining the credit under this section, or

''(B) is attributable to the maintenance of an Individual Development Account.

''(2) DETERMINATION OF AMOUNT.—Solely for purposes of paragraph (1)(B), the amount attributable to the maintenance of an Individual Development Account shall be deemed to be the dollar amount of the credit allowed under subsection (c)(l)(B) for each taxable year such Individual Development Account is maintained.

''(g) CREDIT MAY BE TRANSFERRED.—

''(1) IN GENERAL.—An eligible entity may transfer any credit allowable to the eligible entity under subsection (a) to any person other than to another eligible entity which is exempt from tax under this title. The determination as to whether a credit is allowable shall be made without regard to the tax-exempt status of the eligible entity.

''(2) CONSENT REQUIRED FOR REVOCATION.—Any transfer under paragraph (1) may be revoked only with the consent of the Secretary.

''(h) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including

''(1) such regulations as necessary to insure that any credit described in subsection (g)(1) is claimed once and not retransferred by a transferee, and

''(2) regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (i)) in cases where there is a forfeiture under section 507(b) of the Savings for Working Families Act of 2003 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

''(i) APPLICATION OF SECTION.—

''(1) IN GENERAL.—This section shall apply to any expenditure made in any taxable year ending after December 31, 2004, and beginning on or before January 1, 2012, with respect to any Individual Development Account which—

''(A) is opened before January 1, 2012, and

''(B) as determined by the Secretary, when added to all of the previously opened Individual Development Accounts, does not exceed—

''(i) 100,000 Accounts if opened after December 31, 2004, and before January 1, 2007,

''(ii) an additional 100,000 Accounts if opened after December 31, 2006, and before January 1, 2009, but only if, except as provided in paragraph (4), the total number of Accounts described in clause (i) are opened and the Secretary determines that such Accounts are being reasonably and responsibly administered, and

''(iii) an additional 100,000 Accounts if opened after December 31, 2008, and before January 1, 2012, but only if the total number of Accounts described in clauses (i) and (ii) are opened and the Secretary makes a determination described in paragraph (2).

Notwithstanding the preceding sentence, this section shall apply to amounts which are described in subsection (c)(1)(A) and which are timely deposited into a parallel account during the 30-day period following the end of last taxable year beginning before January 1, 2012.

''(2) DETERMINATION WITH RESPECT TO THIRD GROUP OF ACCOUNTS.—A determination is described in this paragraph if the Secretary determines that—

''(A) substantially all of the previously opened Accounts have been reasonably and responsibly administered prior to the date of the determination,

''(B) the individual development account programs have increased net savings of participants in the programs,

''(C) participants in the individual development account programs have increased Federal income tax liability and decreased utilization of Federal assistance programs relative to similarly situated individuals that did not participate in the individual development account programs, and

''(D) the sum of the estimated increased Federal tax liability and reduction of Federal assistance program benefits to participants in the individual development account programs is greater than the cost of the individual development account programs to the Federal government.

''(3) DETERMINATION OF LIMITATION.—The limitation on the number of Individual Development Accounts under paragraph (1)(B) shall be allocated by the Secretary among qualified individual development account programs selected by the Secretary and, in the case of the limitation under clause (iii) of such paragraph, shall be equally divided among the States.

''(4) SPECIAL RULE IF SMALLER NUMBER OF ACCOUNTS ARE OPENED.—For purposes of paragraph (1)(B)(ii)—

''(i) IN GENERAL.—If less than 100,000 Accounts are opened before January 1, 2007, such paragraph shall be applied by substituting ''applicable number of Accounts' for '100,000 Accounts'.

''(ii) APPLICABLE NUMBER.—For purposes of clause (i), the applicable number equals the lesser of—

''(I) 75,000, or

''(II) 3 times the number of Accounts opened before January 1, 2007.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following new paragraph:

''(16) the individual development account investment credit determined under section 45G(a).''.

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the individual development account investment credit determined under section 45G may be carried back to a taxable year ending before January 1, 2004.''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45G. Individual development account investment credit.''.

(e) REPORT REGARDING ACCOUNT MAINTENANCE FEES.—The Secretary of the Treasury shall study the adequacy of the amount specified in section 45G(c)(2) of the Internal Revenue Code of 1986 (as added by this section). Not later than December 31, 2009, the Secretary of the Treasury shall report the findings of the study described in the preceding sentence to Congress.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2004.

SEC. 512. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, any amount (including earnings thereon) in any Individual Development Account of such individual and any matching deposit made on behalf of such individual (including earnings thereon) in any parallel account shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such Individual Development Account.

TITLE VI—MANAGEMENT OF EXEMPT ORGANIZATIONS

SEC. 601. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the Secretary of the Treasury $80,000,000 for each fiscal year to carry out the administration of exempt organizations by the Internal Revenue Service.

(b) IMPLEMENTATION OF SECTION 527.—There is authorized to be appropriated to the Secretary of the Treasury $3,000,000 to carry out the provisions of Public Laws 106–230 and 107–276 relating to section 527 of the Internal Revenue Code of 1986.

TITLE VII—REVENUE PROVISIONS

Subtitle A—Provisions Designed To Curtail Tax Shelters

SEC. 701. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701, as amended by this Act, is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

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

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

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

''(I) the transaction changes in a meaningful way (apart from Federal tax effects and, if there is any Federal tax effects, also apart from any foreign, State, or local tax effects) the taxpayer's economic position, and

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

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

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

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

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

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

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

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

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

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

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

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

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

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

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

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

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after February 15, 2004.

SEC. 702. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

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

''SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE REPORTABLE TRANSACTION INFORMATION WITH RETURN OR STATEMENT.

''(a) IMPOSITION OF PENALTY.—Any person who fails to include on any return or statement any information with respect to a reportable transaction which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

''(2) LISTED TRANSACTION.—The amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

''(3) INCREASE IN PENALTY FOR LARGE ENTITIES AND HIGH NET WORTH INDIVIDUALS.—

''(A) IN GENERAL.—In the case of a failure under subsection (a) by—

''(i) a large entity, or

''(ii) a high net worth individual,

the penalty under paragraph (1) or (2) shall be twice the amount determined without regard to this paragraph.

''(B) LARGE ENTITY.—For purposes of subparagraph (A), the term 'large entity' means, with respect to any taxable year, a person (other than a natural person) with gross receipts in excess of $10,000,000 for the taxable year in which the reportable transaction occurs or the preceding taxable year. Rules

similar to the rules of paragraph (2) and subparagraphs (B), (C), and (D) of paragraph (3) of section 448(c) shall apply for purposes of this subparagraph.

''(C) HIGH NET WORTH INDIVIDUAL.—The term 'high net worth individual' means, with respect to a transaction, a natural person whose net worth exceeds $2,000,000 immediately before the transaction.

''(c) DEFINITIONS.—For purposes of this section—

''(1) REPORTABLE TRANSACTION.—The term 'reportable transaction' means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under section 6011, such transaction is of a type which the Secretary determines as having a potential for tax avoidance or evasion.

''(2) LISTED TRANSACTION.—Except as provided in regulations, the term 'listed transaction' means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

''(d) AUTHORITY TO RESCIND PENALTY.—

''(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of any penalty imposed by this section with respect to any violation if—

''(A) the violation is with respect to a reportable transaction other than a listed transaction,

''(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

''(C) it is shown that the violation is due to an unintentional mistake of fact;

''(D) imposing the penalty would be against equity and good conscience, and

''(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

''(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

''(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

''(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

''(A) the facts and circumstances of the transaction,

''(B) the reasons for the rescission, and

''(C) the amount of the penalty rescinded.

''(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

''(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

''(B) a description of each penalty rescinded under this subsection and the reasons therefor.

''(e) PENALTY REPORTED TO SEC.—In the case of a person—

''(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

''(2) which—

''(A) is required to pay a penalty under this section with respect to a listed transaction,

''(B) is required to pay a penalty under section 6662A with respect to any reportable transaction at a rate prescribed under section 6662A(c), or

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

''(f) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under this title.''.

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

''Sec. 6707A. Penalty for failure to include reportable transaction information with return or statement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

SEC. 703. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER REPORTABLE TRANSACTIONS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

''SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO REPORTABLE TRANSACTIONS.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has a reportable transaction understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

''(b) REPORTABLE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'reportable transaction understatement' means the sum of—

''(A) the product of—

''(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

''(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

''(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

''(2) ITEMS TO WHICH SECTION APPLIES.—This section shall apply to any item which is attributable to—

''(A) any listed transaction, and

''(B) any reportable transaction (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

''(c) HIGHER PENALTY FOR NONDISCLOSED LISTED AND OTHER AVOIDANCE TRANSACTIONS.—

''(1) IN GENERAL.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any reportable transaction understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

''(2) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(A) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which paragraph (1) applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(B) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

''(d) DEFINITIONS OF REPORTABLE AND LISTED TRANSACTIONS.—For purposes of this section, the terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

''(e) SPECIAL RULES.—

''(1) COORDINATION WITH PENALTIES, ETC., ON OTHER UNDERSTATEMENTS.—In the case of an understatement (as defined in section 6662(d)(2))—

''(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

''(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements.

''(2) COORDINATION WITH OTHER PENALTIES.—

''(A) APPLICATION OF FRAUD PENALTY.—References to an underpayment in section 6663 shall be treated as including references to a reportable transaction understatement and a noneconomic substance transaction understatement.

''(B) NO DOUBLE PENALTY.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

''(3) SPECIAL RULE FOR AMENDED RETURNS.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any reportable transaction understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

''(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

''(5) CROSS REFERENCE.—

"For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e).''.

(b) DETERMINATION OF OTHER UNDERSTATEMENTS.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

''The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B.''.

(c) REASONABLE CAUSE EXCEPTION.—

(1) IN GENERAL.—Section 6664 is amended by adding at the end the following new subsection:

''(d) REASONABLE CAUSE EXCEPTION FOR REPORTABLE TRANSACTION UNDERSTATEMENTS.—

''(1) IN GENERAL.—No penalty shall be imposed under section 6662A with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

''(2) SPECIAL RULES.—Paragraph (1) shall not apply to any reportable transaction understatement unless—

''(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

''(B) there is or was substantial authority for such treatment, and

''(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

''(3) RULES RELATING TO REASONABLE BELIEF.—For purposes of paragraph (2)(C)—

''(A) IN GENERAL.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

''(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

''(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

''(B) CERTAIN OPINIONS MAY NOT BE RELIED UPON.—

''(i) IN GENERAL.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

''(I) the tax advisor is described in clause (ii), or

''(II) the opinion is described in clause (iii).

''(ii) DISQUALIFIED TAX ADVISORS.—A tax advisor is described in this clause if the tax advisor—

''(I) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates,

''(II) is compensated directly or indirectly by a material advisor with respect to the transaction,

''(III) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained, or

''(IV) as determined under regulations prescribed by the Secretary, has a continuing financial interest with respect to the transaction.

''(iii) DISQUALIFIED OPINIONS.—For purposes of clause (i), an opinion is disqualified if the opinion—

''(I) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

''(II) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

''(III) does not identify and consider all relevant facts, or

''(IV) fails to meet any other requirement as the Secretary may prescribe.''.

(2) CONFORMING AMENDMENT.—The heading for subsection (c) of section 6664 is amended by inserting ''FOR UNDERPAYMENTS'' after ''EXCEPTION''.

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking ''section 6662(d)(2)(C)(iii)'' and inserting ''section 1274(b)(3)(C)''.

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking ''(as defined in section 6662(d)(2)(C)(iii))'' in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

''(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

''(i) a partnership or other entity,

''(ii) any investment plan or arrangement, or

''(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.''.

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking ''this part'' and inserting ''section 6662 or 6663''.

(5) Subsection (b) of section 7525 is amended by striking ''section 6662(d)(2)(C)(iii)'' and inserting ''section 1274(b)(3)(C)''.

(6)(A) The heading for section 6662 is amended to read as follows:

''SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS.''.

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

''Sec. 6662. Imposition of accuracy-related penalty on underpayments.

''Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to reportable transactions.''.

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

SEC. 704. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

''SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A applies.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

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

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).''.

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after February 15, 2004.

SEC. 705. MODIFICATIONS OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR NONREPORTABLE TRANSACTIONS.

(a) SUBSTANTIAL UNDERSTATEMENT OF CORPORATIONS.—Section 6662(d)(1)(B) (relating to special rule for corporations) is amended to read as follows:

''(B) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation other than an S corporation or a personal holding company (as defined in section 542), there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

''(i) 10 percent of the tax required to be shown on the return for the taxable year (or, if greater, $10,000), or

''(ii) $10,000,000.''.

(b) REDUCTION FOR UNDERSTATEMENT OF TAXPAYER DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—

(1) IN GENERAL.—Section 6662(d)(2)(B)(i) (relating to substantial authority) is amended to read as follows:

''(i) the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment, or''.

(2) CONFORMING AMENDMENT.—Section 6662(d) is amended by adding at the end the following new paragraph:

''(3) SECRETARIAL LIST.—For purposes of this subsection, section 6664(d)(2), and section 6694(a)(1), the Secretary may prescribe a list of positions for which the Secretary believes there is not substantial authority or

there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. Such list (and any revisions thereof) shall be published in the Federal Register or the Internal Revenue Bulletin.''.

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

SEC. 706. TAX SHELTER EXCEPTION TO CONFIDENTIALITY PRIVILEGES RELATING TO TAXPAYER COMMUNICATIONS.

(a) IN GENERAL.—Section 7525(b) (relating to section not to apply to communications regarding corporate tax shelters) is amended to read as follows:

''(b) SECTION NOT TO APPLY TO COMMUNICATIONS REGARDING TAX SHELTERS.—The privilege under subsection (a) shall not apply to any written communication which is—

''(1) between a federally authorized tax practitioner and—

''(A) any person,

''(B) any director, officer, employee, agent, or representative of the person, or

''(C) any other person holding a capital or profits interest in the person, and

''(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C)).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

SEC. 707. DISCLOSURE OF REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

''SEC. 6111. DISCLOSURE OF REPORTABLE TRANSACTIONS.

''(a) IN GENERAL.—Each material advisor with respect to any reportable transaction shall make a return (in such form as the Secretary may prescribe) setting forth—

''(1) information identifying and describing the transaction,

''(2) information describing any potential tax benefits expected to result from the transaction, and

''(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date specified by the Secretary.

''(b) DEFINITIONS.—For purposes of this section—

''(1) MATERIAL ADVISOR.—

''(A) IN GENERAL.—The term 'material advisor' means any person—

''(i) who provides any material aid, assistance, or advice with respect to organizing, promoting, selling, implementing, or carrying out any reportable transaction, and

''(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

''(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

''(i) $50,000 in the case of a reportable transaction substantially all of the tax benefits from which are provided to natural persons, and

''(ii) $250,000 in any other case.

''(2) REPORTABLE TRANSACTION.—The term 'reportable transaction' has the meaning given to such term by section 6707A(c).

''(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

''(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

''(2) exemptions from the requirements of this section, and

''(3) such rules as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

''Sec. 6111. Disclosure of reportable transactions.''.

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

''SEC. 6112. MATERIAL ADVISORS OF REPORTABLE TRANSACTIONS MUST KEEP LISTS OF ADVISEES.

''(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any reportable transaction (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

''(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such transaction, and

''(2) containing such other information as the Secretary may by regulations require.

This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.''.

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting ''written'' before ''request'' in paragraph (1)(A), and

(ii) by striking ''shall prescribe'' in paragraph (2) and inserting ''may prescribe''.

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

''Sec. 6112. Material advisors of reportable transactions must keep lists of advisees.''.

(3)(A) The heading for section 6708 is amended to read as follows:

''SEC. 6708. FAILURE TO MAINTAIN LISTS OF ADVISEES WITH RESPECT TO REPORTABLE TRANSACTIONS.''.

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

''Sec. 6708. Failure to maintain lists of advisees with respect to reportable transactions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

SEC. 708. MODIFICATIONS TO PENALTY FOR FAILURE TO REGISTER TAX SHELTERS.

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

''SEC. 6707. FAILURE TO FURNISH INFORMATION REGARDING REPORTABLE TRANSACTIONS.

''(a) IN GENERAL.—If a person who is required to file a return under section 6111(a) with respect to any reportable transaction—

''(1) fails to file such return on or before the date prescribed therefor, or

''(2) files false or incomplete information with the Secretary with respect to such transaction,

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

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be $50,000.

''(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

''(A) $200,000, or

''(B) 50 percent of the gross income derived by such person with respect to aid, assistance, or advice which is provided with respect to the reportable transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '75 percent' for '50 percent' in the case of an intentional failure or act described in subsection (a).

''(c) RESCISSION AUTHORITY.—The provisions of section 6707A(d) (relating to authority of Commissioner to rescind penalty) shall apply to any penalty imposed under this section.

''(d) REPORTABLE AND LISTED TRANSACTIONS.—The terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).''.

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''tax shelters'' and inserting ''reportable transactions''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

SEC. 709. MODIFICATION OF PENALTY FOR FAILURE TO MAINTAIN LISTS OF INVESTORS.

(a) IN GENERAL.—Subsection (a) of section 6708 is amended to read as follows:

''(a) IMPOSITION OF PENALTY.—

''(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day.

''(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if such failure is due to reasonable cause.''.

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

SEC. 710. MODIFICATION OF ACTIONS TO ENJOIN CERTAIN CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 7408 (relating to action to enjoin promoters of abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by striking subsections (a) and (b) and inserting the following new subsections:

''(a) AUTHORITY TO SEEK INJUNCTION.—A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402(a)) separate and apart from any other action brought by the United States against such person.

''(b) ADJUDICATION AND DECREE.—In any action under subsection (a), if the court finds—

''(1) that the person has engaged in any specified conduct, and

''(2) that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

''(c) SPECIFIED CONDUCT.—For purposes of this section, the term 'specified conduct' means any action, or failure to take action, subject to penalty under section 6700, 6701, 6707, or 6708.''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 7408 is amended to read as follows:

''SEC. 7408. ACTIONS TO ENJOIN SPECIFIED CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.''.

(2) The table of sections for subchapter A of chapter 67 is amended by striking the item relating to section 7408 and inserting the following new item:

''Sec. 7408. Actions to enjoin specified conduct related to tax shelters and reportable transactions.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 711. UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY INCOME TAX RETURN PREPARER.

(a) STANDARDS CONFORMED TO TAXPAYER STANDARDS.—Section 6694(a) (relating to understatements due to unrealistic positions) is amended—

(1) by striking ''realistic possibility of being sustained on its merits'' in paragraph (1) and inserting ''reasonable belief that the tax treatment in such position was more likely than not the proper treatment'',

(2) by striking ''or was frivolous'' in paragraph (3) and inserting ''or there was no reasonable basis for the tax treatment of such position'', and

(3) by striking ''UNREALISTIC'' in the heading and inserting ''IMPROPER''.

(b) AMOUNT OF PENALTY.—Section 6694 is amended—

(1) by striking ''$250'' in subsection (a) and inserting ''$1,000'', and

(2) by striking ''$1,000'' in subsection (b) and inserting ''$5,000''.

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

SEC. 712. PENALTY ON FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) IN GENERAL.—Section 5321(a)(5) of title 31, United States Code, is amended to read as follows:

''(5) FOREIGN FINANCIAL AGENCY TRANSACTION VIOLATION.—

''(A) PENALTY AUTHORIZED.—The Secretary of the Treasury may impose a civil money penalty on any person who violates, or causes any violation of, any provision of section 5314.

''(B) AMOUNT OF PENALTY.—

''(i) IN GENERAL.—Except as provided in subparagraph (C), the amount of any civil penalty imposed under subparagraph (A) shall not exceed $5,000.

''(ii) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subparagraph (A) with respect to any violation if—

''(I) such violation was due to reasonable cause, and

''(II) the amount of the transaction or the balance in the account at the time of the transaction was properly reported.

''(C) WILLFUL VIOLATIONS.—In the case of any person willfully violating, or willfully causing any violation of, any provision of section 5314—

''(i) the maximum penalty under subparagraph (B)(i) shall be increased to the greater of—

''(I) $25,000, or

''(II) the amount (not exceeding $100,000) determined under subparagraph (D), and

''(ii) subparagraph (B)(ii) shall not apply.

''(D) AMOUNT.—The amount determined under this subparagraph is—

''(i) in the case of a violation involving a transaction, the amount of the transaction, or

''(ii) in the case of a violation involving a failure to report the existence of an account or any identifying information required to be provided with respect to an account, the balance in the account at the time of the violation.''.

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

SEC. 713. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

''SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

''(a) CIVIL PENALTY FOR FRIVOLOUS TAX RETURNS.—A person shall pay a penalty of $5,000 if—

''(1) such person files what purports to be a return of a tax imposed by this title but which—

''(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

''(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

''(2) the conduct referred to in paragraph (1)—

''(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(B) reflects a desire to delay or impede the administration of Federal tax laws.

''(b) CIVIL PENALTY FOR SPECIFIED FRIVOLOUS SUBMISSIONS.—

''(1) IMPOSITION OF PENALTY.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

''(2) SPECIFIED FRIVOLOUS SUBMISSION.—For purposes of this section—

''(A) SPECIFIED FRIVOLOUS SUBMISSION.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

''(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(ii) reflects a desire to delay or impede the administration of Federal tax laws.

''(B) SPECIFIED SUBMISSION.—The term 'specified submission' means—

''(i) a request for a hearing under—

''(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

''(II) section 6330 (relating to notice and opportunity for hearing before levy), and

''(ii) an application under—

''(I) section 6159 (relating to agreements for payment of tax liability in installments),

''(II) section 7122 (relating to compromises), or

''(III) section 7811 (relating to taxpayer assistance orders).

''(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

''(c) LISTING OF FRIVOLOUS POSITIONS.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(II).

''(d) REDUCTION OF PENALTY.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

''(e) PENALTIES IN ADDITION TO OTHER PENALTIES.—The penalties imposed by this section shall be in addition to any other penalty provided by law.''.

(b) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—

(1) FRIVOLOUS REQUESTS DISREGARDED.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

''(g) FRIVOLOUS REQUESTS FOR HEARING, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(2) PRECLUSION FROM RAISING FRIVOLOUS ISSUES AT HEARING.—Section 6330(c)(4) is amended—

(A) by striking ''(A)'' and inserting ''(A)(i)'';

(B) by striking ''(B)'' and inserting ''(ii)'';

(C) by striking the period at the end of the first sentence and inserting ''; or''; and

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

''(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).''.

(3) STATEMENT OF GROUNDS.—Section 6330(b)(1) is amended by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing''.

(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS UPON FILING OF NOTICE OF LIEN.—Section 6320 is amended—

(1) in subsection (b)(1), by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing'', and

(2) in subsection (c), by striking ''and (e)'' and inserting ''(e), and (g)''.

(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFERS-IN-COMPROMISE AND INSTALLMENT AGREEMENTS.—Section 7122 is amended by adding at the end the following new subsection:

''(e) FRIVOLOUS SUBMISSIONS, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

''Sec. 6702. Frivolous tax submissions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 714. REGULATION OF INDIVIDUALS PRACTICING BEFORE THE DEPARTMENT OF TREASURY.

(a) CENSURE; IMPOSITION OF PENALTY.—

(1) IN GENERAL.—Section 330(b) of title 31, United States Code, is amended—

(A) by inserting ", or censure," after "Department", and

(B) by adding at the end the following new flush sentence:

"The Secretary may impose a monetary penalty on any representative described in the preceding sentence. If the representative was acting on behalf of an employer or any firm or other entity in connection with the conduct giving rise to such penalty, the Secretary may impose a monetary penalty on such employer, firm, or entity if it knew, or reasonably should have known, of such conduct. Such penalty shall not exceed the gross income derived (or to be derived) from the conduct giving rise to the penalty and may be in addition to, or in lieu of, any suspension, disbarment, or censure.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to actions taken after the date of the enactment of this Act.

(b) TAX SHELTER OPINIONS, ETC.—Section 330 of such title 31 is amended by adding at the end the following new subsection:

"(d) Nothing in this section or in any other provision of law shall be construed to limit the authority of the Secretary of the Treasury to impose standards applicable to the rendering of written advice with respect to any entity, transaction plan or arrangement, or other plan or arrangement, which is of a type which the Secretary determines as having a potential for tax avoidance or evasion.".

SEC. 715. PENALTY ON PROMOTERS OF TAX SHELTERS.

(a) PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—Section 6700(a) is amended by adding at the end the following new sentence: "Notwithstanding the first sentence, if an activity with respect to which a penalty imposed under this subsection involves a statement described in paragraph (2)(A), the amount of the penalty shall be equal to 50 percent of the gross income derived (or to be derived) from such activity by the person on which the penalty is imposed.".

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

SEC. 716. STATUTE OF LIMITATIONS FOR TAXABLE YEARS FOR WHICH LISTED TRANSACTIONS NOT REPORTED.

(a) IN GENERAL.—Section 6501(e)(1) (relating to substantial omission of items for income taxes) is amended by adding at the end the following new subparagraph:

"(C) LISTED TRANSACTIONS.—If a taxpayer fails to include on any return or statement for any taxable year any information with respect to a listed transaction (as defined in section 6707A(c)(2)) which is required under section 6011 to be included with such return or statement, the tax for such taxable year may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time within 6 years after the time the return is filed. This subparagraph shall not apply to any taxable year if the time for assessment or beginning the proceeding in court has expired before the time a transaction is treated as a listed transaction under section 6011.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions in taxable years beginning after the date of the enactment of this Act.

SEC. 717. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONDISCLOSED REPORTABLE AND NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 163 (relating to deduction for interest) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) INTEREST ON UNPAID TAXES ATTRIBUTABLE TO NONDISCLOSED REPORTABLE TRANSACTIONS AND NONECONOMIC SUBSTANCE TRANSACTIONS.—No deduction shall be allowed under this chapter for any interest paid or accrued under section 6601 on any underpayment of tax which is attributable to—

"(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

"(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).".

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

SEC. 718. AUTHORIZATION OF APPROPRIATIONS FOR TAX LAW ENFORCEMENT.

There is authorized to be appropriated $300,000,000 for each fiscal year beginning after September 30, 2002, for the purpose of carrying out tax law enforcement to combat tax avoidance transactions and other tax shelters, including the use of offshore financial accounts to conceal taxable income.

Subtitle B—Other Provisions

SEC. 721. AFFIRMATION OF CONSOLIDATED RETURN REGULATION AUTHORITY.

(a) IN GENERAL.—Section 1502 (relating to consolidated return regulations) is amended by adding at the end the following new sentence: "In prescribing such regulations, the Secretary may prescribe rules applicable to corporations filing consolidated returns under section 1501 that are different from other provisions of this title that would apply if such corporations filed separate returns.".

(b) RESULT NOT OVERTURNED.—Notwithstanding subsection (a), the Internal Revenue Code of 1986 shall be construed by treating Treasury regulation §1.1502–20(c)(1)(iii) (as in effect on January 1, 2001) as being inapplicable to the type of factual situation in 255 F.3d 1357 (Fed. Cir. 2001).

(c) EFFECTIVE DATE.—The provisions of this section shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

SEC. 722. SIGNING OF CORPORATE TAX RETURNS BY CHIEF EXECUTIVE OFFICER.

(a) IN GENERAL.—Section 6062 (relating to signing of corporation returns) is amended by striking the first sentence and inserting the following new sentence: "The return of a corporation with respect to income shall be signed by the chief executive officer of such corporation (or other such officer of the corporation as the Secretary may designate if the corporation does not have a chief executive officer). The preceding sentence shall not apply to any return of a regulated investment company (within the meaning of section 851).".

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

SEC. 723. SECURITIES CIVIL ENFORCEMENT PROVISIONS.

(a) AUTHORITY TO ASSESS CIVIL MONEY PENALTIES.—

(1) SECURITIES ACT OF 1933.—Section 8A of the Securities Act of 1933 (15 U.S.C. 77h–1) is amended by adding at the end the following new subsection:

"(g) AUTHORITY OF THE COMMISSION TO ASSESS MONEY PENALTY.—

"(1) IN GENERAL.—In any cease-and-desist proceeding under subsection (a), the Commission may impose a civil monetary penalty if it finds, on the record after notice and opportunity for hearing, that a person is violating, has violated, or is or was a cause of the violation of, any provision of this title or any rule or regulation thereunder, and that such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $100,000 for a natural person or $250,000 for any other person.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for such act or omission described in paragraph (1) shall be $500,000 for a natural person or $1,000,000 for any other person, if the act or omission involved fraud, deceit, manipulation, or deliberate or reckless disregard of a statutory or regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each act or omission described in paragraph (1) shall be $1,000,000 for a natural person or $2,000,000 for any other person, if—

"(i) the act or omission involved fraud, deceit, manipulation, or deliberate or reckless disregard of a statutory or regulatory requirement; and

"(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.

"(3) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission or the appropriate regulatory agency may impose a penalty under this section, a respondent may present evidence of the ability of the respondent to pay such penalty. The Commission or the appropriate regulatory agency may, in its discretion, consider such evidence in determining whether the penalty is in the public interest. Such evidence may relate to the extent of the person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States or third parties upon the assets of that person and the amount of the assets of that person.".

(2) SECURITIES EXCHANGE ACT OF 1934.—Section 21B(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–2(a)) is amended—

(A) in paragraph (4), by striking "supervision;" and all that follows through the end of the subsection and inserting "supervision.";

(B) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and moving the margins 2 ems to the right;

(C) by inserting "that such penalty is in the public interest and" after "hearing,";

(D) by striking "In any proceeding" and inserting the following:

"(1) IN GENERAL.—In any proceeding"; and

(E) by adding at the end the following:

"(2) OTHER MONEY PENALTIES.—In any proceeding under section 21C against any person, the Commission may impose a civil monetary penalty if it finds, on the record after notice and opportunity for hearing, that such person is violating, has violated, or is or was a cause of the violation of, any provision of this title or any rule or regulation thereunder, and that such penalty is in the public interest.".

(3) INVESTMENT COMPANY ACT OF 1940.—Section 9(d)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(d)(1)) is amended—

(A) in subparagraph (C), by striking "therein;" and all that follows through the end of the paragraph and inserting "supervision.";

(B) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and moving the margins 2 ems to the right;

(C) by inserting ''that such penalty is in the public interest and'' after ''hearing,'';

(D) by striking ''In any proceeding'' and inserting the following:

''(A) IN GENERAL.—In any proceeding''; and

(E) by adding at the end the following:

''(B) OTHER MONEY PENALTIES.—In any proceeding under subsection (f) against any person, the Commission may impose a civil monetary penalty if it finds, on the record after notice and opportunity for hearing, that such person is violating, has violated, or is or was a cause of the violation of, any provision of this title or any rule or regulation thereunder, and that such penalty is in the public interest.''.

(4) INVESTMENT ADVISERS ACT OF 1940.—Section 203(i)(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(i)(1)) is amended—

(A) in subparagraph (D), by striking ''supervision;'' and all that follows through the end of the paragraph and inserting ''supervision.'';

(B) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and moving the margins 2 ems to the right;

(C) by inserting ''that such penalty is in the public interest and'' after ''hearing,'';

(D) by striking ''In any proceeding'' and inserting the following:

''(A) IN GENERAL.—In any proceeding''; and

(E) by adding at the end the following:

''(B) OTHER MONEY PENALTIES.—In any proceeding under subsection (k) against any person, the Commission may impose a civil monetary penalty if it finds, on the record after notice and opportunity for hearing, that such person is violating, has violated, or is or was a cause of the violation of, any provision of this title or any rule or regulation thereunder, and that such penalty is in the public interest.''.

(b) INCREASED MAXIMUM CIVIL MONEY PENALTIES.—

(1) SECURITIES ACT OF 1933.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by striking ''$5,000'' and inserting ''$100,000''; and

(ii) by striking ''$50,000'' and inserting ''$250,000'';

(B) in subparagraph (B)(i)—

(i) by striking ''$50,000'' and inserting ''$500,000''; and

(ii) by striking ''$250,000'' and inserting ''$1,000,000''; and

(C) in subparagraph (C)(i)—

(i) by striking ''$100,000'' and inserting ''$1,000,000''; and

(ii) by striking ''$500,000'' and inserting ''$2,000,000''.

(2) SECURITIES EXCHANGE ACT OF 1934.—

(A) PENALTIES.—Section 32 of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended—

(i) in subsection (b), by striking ''$100'' and inserting ''$10,000''; and

(ii) in subsection (c)—

(I) in paragraph (1)(B), by striking ''$10,000'' and inserting ''$500,000''; and

(II) in paragraph (2)(B), by striking ''$10,000'' and inserting ''$500,000''.

(B) INSIDER TRADING.—Section 21A(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–1(a)(3)) is amended by striking ''$1,000,000'' and inserting ''$2,000,000''.

(C) ADMINISTRATIVE PROCEEDINGS.—Section 21B(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–2(b)) is amended—

(i) in paragraph (1)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in paragraph (2)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in paragraph (3)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(D) CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended—

(i) in clause (i)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in clause (ii)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in clause (iii)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(3) INVESTMENT COMPANY ACT OF 1940.—

(A) INELIGIBILITY.—Section 9(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(d)(2)) is amended—

(i) in subparagraph (A)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in subparagraph (B)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in subparagraph (C)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(B) ENFORCEMENT OF INVESTMENT COMPANY ACT.—Section 42(e)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–41(e)(2)) is amended—

(i) in subparagraph (A)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in subparagraph (B)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in subparagraph (C)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(4) INVESTMENT ADVISERS ACT OF 1940.—

(A) REGISTRATION.—Section 203(i)(2) of the Investment advisers Act of 1940 (15 U.S.C. 80b–3(i)(2)) is amended—

(i) in subparagraph (A)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in subparagraph (B)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in subparagraph (C)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(B) ENFORCEMENT OF INVESTMENT ADVISERS ACT.—Section 209(e)(2) of the Investment advisers Act of 1940 (15 U.S.C. 80b–9(e)(2)) is amended—

(i) in subparagraph (A)—

(I) by striking ''$5,000'' and inserting ''$100,000''; and

(II) by striking ''$50,000'' and inserting ''$250,000'';

(ii) in subparagraph (B)—

(I) by striking ''$50,000'' and inserting ''$500,000''; and

(II) by striking ''$250,000'' and inserting ''$1,000,000''; and

(iii) in subparagraph (C)—

(I) by striking ''$100,000'' and inserting ''$1,000,000''; and

(II) by striking ''$500,000'' and inserting ''$2,000,000''.

(c) AUTHORITY TO OBTAIN FINANCIAL RECORDS.—Section 21(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(h)) is amended—

(1) by striking paragraphs (2) through (8);

(2) in paragraph (9), by striking ''(9)(A)'' and all that follows through ''(B) The'' and inserting ''(3) The'';

(3) by inserting after paragraph (1), the following:

''(2) ACCESS TO FINANCIAL RECORDS.—

''(A) IN GENERAL.—Notwithstanding section 1105 or 1107 of the Right to Financial Privacy Act of 1978, the Commission may obtain access to and copies of, or the information contained in, financial records of any person held by a financial institution, including the financial records of a customer, without notice to that person, when it acts pursuant to a subpoena authorized by a formal order of investigation of the Commission and issued under the securities laws or pursuant to an administrative or judicial subpoena issued in a proceeding or action to enforce the securities laws.

''(B) NONDISCLOSURE OF REQUESTS.—If the Commission so directs in its subpoena, no financial institution, or officer, director, partner, employee, shareholder, representative or agent of such financial institution, shall, directly or indirectly, disclose that records have been requested or provided in accordance with subparagraph (A), if the Commission finds reason to believe that such disclosure may—

''(i) result in the transfer of assets or records outside the territorial limits of the United States;

''(ii) result in improper conversion of investor assets;

''(iii) impede the ability of the Commission to identify, trace, or freeze funds involved in any securities transaction;

''(iv) endanger the life or physical safety of an individual;

''(v) result in flight from prosecution;

''(vi) result in destruction of or tampering with evidence;

''(vii) result in intimidation of potential witnesses; or

''(viii) otherwise seriously jeopardize an investigation or unduly delay a trial.

''(C) TRANSFER OF RECORDS TO GOVERNMENT AUTHORITIES.—The Commission may transfer financial records or the information contained therein to any government authority, if the Commission proceeds as a transferring agency in accordance with section 1112 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412), except that a customer notice shall not be required under subsection (b) or (c) of that section 1112, if the Commission determines that there is reason to believe that such notification may result in or lead to any of the factors identified under clauses (i) through (viii) of subparagraph (B) of this paragraph.'';

(4) by striking paragraph (10); and

(5) by redesignating paragraphs (11), (12), and (13) as paragraphs (4), (5), and (6), respectively.

SEC. 724. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 of the Social Security Act (42 U.S.C. 1383b) is amended by adding at the end the following:

''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

''(i) at least 25 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2004; and

''(ii) at least 50 percent of all such determinations that are made in fiscal year 2005 or thereafter.

''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

TITLE VIII—COMPASSION CAPITAL FUND

SEC. 801. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Secretary of Health and Human Services (referred to in this section as ''the Secretary'') may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of nonprofit community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) SUPPORT FOR STATES.—The Secretary—

(1) may award grants to and enter into cooperative agreements with States and political subdivisions of States to provide seed money to establish State and local offices of faith-based and community initiatives; and

(2) shall provide technical assistance to States and political subdivisions of States in administering the provisions of this Act.

(c) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $85,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(f) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 802. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Corporation for National and Community Service (referred to in this section as ''the Corporation'') may award grants to and enter into cooperative agreements with nongovernmental organizations and State Commissions on National and Community Service established under section 178 of the National and Community Service Act of 1990 (42 U.S.C. 12638), to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State Commission, State, or political subdivision shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 803. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF JUSTICE.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Attorney General may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of nonprofit community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Attorney General) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 804. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Secretary of Housing and Urban Development (referred to in this section ''the Secretary'') may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 805. COORDINATION.

The Secretary of Health and Human Services, the Corporation for National and Community Service, the Attorney General, and the Secretary of Housing and Urban Development shall coordinate their activities under this title to ensure—

(1) nonduplication of activities under this title; and

(2) an equitable distribution of resources under this title.

TITLE IX—MATERNITY GROUP HOMES

SEC. 901. MATERNITY GROUP HOMES.

(a) PERMISSIBLE USE OF FUNDS.—Section 322 of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2) is amended—

(1) in subsection (a)(1), by inserting ''(including maternity group homes)'' after ''group homes''; and

(2) by adding at the end the following:

''(c) MATERNITY GROUP HOME.—In this part, the term 'maternity group home' means a community-based, adult-supervised group home that provides young mothers and their children with a supportive and supervised living arrangement in which such mothers are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.''.

(b) CONTRACT FOR EVALUATION.—Part B of the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by adding at the end the following:

''SEC. 323. CONTRACT FOR EVALUATION.

''(a) IN GENERAL.—The Secretary shall enter into a contract with a public or private entity for an evaluation of the maternity group homes that are supported by grant funds under this Act.

''(b) INFORMATION.—The evaluation described in subsection (a) shall include the collection of information about the relevant characteristics of individuals who benefit from maternity group homes such as those that are supported by grant funds under this Act and what services provided by those maternity group homes are most beneficial to such individuals.

''(c) REPORT.—Not later than 2 years after the date on which the Secretary enters into a contract for an evaluation under subsection (a), and biennially thereafter, the entity conducting the evaluation under this section shall submit to Congress a report on the status, activities, and accomplishments of maternity group homes that are supported by grant funds under this Act.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 388 of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is amended—

(1) in subsection (a)(1)—

(A) by striking ''There'' and inserting the following:

''(A) IN GENERAL.—There'';

(B) in subparagraph (A), as redesignated, by inserting ''and the purpose described in subparagraph (B)'' after ''other than part E''; and

(C) by adding at the end the following:

''(B) MATERNITY GROUP HOMES.—There is authorized to be appropriated, for maternity group homes eligible for assistance under section 322(a)(1)—

''(i) $33,000,000 for fiscal year 2003; and

''(ii) such sums as may be necessary for fiscal year 2004.''; and

(2) in subsection (a)(2)(A), by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

Passed the Senate April 9, 2003.

Attest:

Secretary.

The PRESIDING OFFICER (Mr. TALENT). Under the previous order, S. 476 will be held at the desk.

Mr. GRASSLEY. Madam President, I want to take a brief moment to thank the many, many people that helped bring President Bush's words supporting charities and charitable giving into reality.

First, I thank my colleague, Senator BAUCUS. I appreciate his bipartisanship on this matter. The people of Montana are well served by his leadership on the Senate Finance Committee. In addition, I thank the Democratic staff on the Finance Committee, Russ Sullivan, Pat Heck and Jon Selib, for their work.

At this time, I should also commend the work of my staff on the Finance Committee, Dean Zerbe for the charitable provisions and Ed McClellan for the corporate shelter legislation. In addition, Mark Prater, Elizabeth Paris, Christy Mistr and Diann Howland were critical in putting this bill together.

It is clear that without the drive and energy of Senators SANTORUM and LIEBERMAN we would not have had this success. I thank them for their efforts and their staff: Randy Brandt and Chuck Ludlam.

I also thank all those behind the scenes who have toiled on the CARE Act. Roger Colvineaux, Ron Schultz, Joe Naga from the Joint Committee on Taxation, as well as Mark Mathiesen from Legislative Counsel who did all the drafting.

Finally, let me note just a few of the members of the administration who ably served the President in this effort: Jim Towey, David Kuo, and Susan Brown at Treasury.

Thanks to all for their efforts.

Mr. MILLER. Mr. President, I rise today to express my thanks for the Senate's passage of S. 476, the CARE Act, which included my amendment requiring chief executive officers to sign their company's tax returns.

And I especially thank Senator GRASSLEY and Senator BAUCUS and their staffs for working with me on this issue.

I offered this amendment last summer when we were debating the corporate governance bill amid the corporate scandals involving Enron, World Com, and others. In these corporate scandals, the corporate big shots got the gold mine while the poor employees and innocent stockholders got the shaft.

Now, I am as probusiness as anyone in this body. As Governor and Senator I have worked to give tax cuts and tax incentives and pay for the training of their employees, all to provide a probusiness environment in which the entrepreneurial spirit can thrive and prosper and create jobs.

But folks, there comes a time when so much greed and so many lies become so bad—even if it is by only a few—that something has to be done. The corporate governance bill we passed last summer will go a long way to protect the investor, provide some security for the worker and restore confidence in the market place.

My amendment today will help even more. It is only two short paragraphs, but it goes to the very essence of fairness. It simply says that when the tax man cometh, we all—workers and high-dollar bosses alike—must face him just alike without any go-betweens, liability firewalls or corporate veils.

The standard 1040 tax form that individuals must fill out each year says:

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct and complete.

If Joe Sixpack is required to sign this oath for his family, why shouldn't Josepheus Chardonnay be required to sign that same oath for his big corporation?

So, my amendment simply requires that henceforth the chief executive officer of all publicly owned and publicly traded corporations must sign the corporation's annual Federal tax return.

Currently, there is an IRS rule that corporations can designate any corporate officer to sign their tax return. But that won't get it, Mr. president. Let's be specific. The CEO is the one who must sign the tax return and must be accountable for it.

Where I come from it is expected that those being paid to mind the store should at least know whether the store is losing or making money.

If any CEO is not willing to sign the company tax return if they are not willing to take steps to satisfy themselves that their corporation is accurately reporting financial information—then those CEOs have no right to the prestige and respect that goes with the position they hold.

What is good for the goose is good for the gander.

So, I thank my colleagues for holding our CEOs to the same standard that we now impose upon our average wage earners.

ORDER OF PROCEDURE

Mr. SUNUNU. Mr. President, I ask unanimous consent that there now be a period of morning business until 2:30 p.m. today, with Senators to speak for up to 10 minutes each and the time equally divided in the usual form. Further, I ask unanimous consent that at 2:30 the Senate stand in recess until 3:30 today.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, it is my understanding the recess is because the Secretary of Defense is coming to the Capitol; is that right?

Mr. SUNUNU. That is correct.

Mr. REID. Does the acting majority leader know what we will do at 3:30?

Mr. SUNUNU. I am sorry; I didn't hear the question.

Mr. REID. The question is, Is the acting majority leader informed as to what we will do at 3:30?

Mr. SUNUNU. I am, indeed.

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

UNANIMOUS CONSENT AGREEMENT—S. CON. RES. 31

Mr. SUNUNU. Mr. President, I ask unanimous consent that at the 3:30 p.m. today, the Foreign Relations Committee be discharged from further consideration of S. Con. Res. 31 and the Senate proceed to its immediate consideration, provided that there be 1 hour of debate on the resolution equally divided between the majority leader and the minority leader or their designees, with no amendments or motions in order to the resolution, that the only amendment in order be a Lieberman amendment to the preamble which is at the desk, and that upon the use or yielding back of the time, the Senate proceed to a vote on the resolution. I further ask unanimous consent that following the adoption of the resolution, the amendment to the preamble be agreed to, the preamble, as amended, be agreed to, and all of the above mentioned occur without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. REID. No objection.

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

The Senator from New York.

RECESS

The PRESIDING OFFICER. In my capacity as a Senator from North Carolina, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 2:30 p.m., recessed until 3:30 p.m., and reassembled when called to order by the Presiding Officer (Mrs. DOLE).

The PRESIDING OFFICER. In my capacity as a Senator from North Carolina, I suggest the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REID. Madam President, I ask unanimous consent that I be allowed to speak as in morning business.

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

WILLIAM ''WILLIE'' McCOOL SCHOOL

Mr. REID. Madam President, 2 days ago, the Senate passed by unanimous consent H.R. 672, a bill to rename Guam South Elementary and Middle School after CDR William McCool, the pilot of the *Columbia* Space Shuttle.

Guam has a unique tie to LCDR William McCool. He lived on Guam and attended Dededo Middle School and John F. Kennedy High School in the 1970s while his father served as a Navy and Marine pilot, a veteran of the Vietnam conflict. His father, Barry, is a Las Vegas resident, as is his mother, Audrey. Commander McCool's mother is dean at the University of Nevada, Las Vegas. His dad, Barry, after retiring from the military, teaches and is a graduate student at UNLV.

Willie was an exceptional student and a talented athlete in high school. He graduated with good grades in high school, of course, and went to the U.S. Naval Academy. He graduated with a 4.0 grade point average at the Academy in Annapolis, but only finished second in his class because one person had a better grade point average. After he graduated from the Academy, he received advanced degrees in computer science and engineering and became an elite pilot.

He had more than 400 carrier landings and almost 3,000 hours of flight experience in the Navy. Willie McCool was a dedicated father and husband. Due to the tragedy in space, he left behind his wife Lani and their three sons, Sean, Christopher, and Cameron.

As I indicated, Nevada also has a tie with Willie McCool because of his parents. It is traditional in Nevada that every legislative session, the congressional delegation—it used to be very small, of course, with only three members in the Nevada congressional delegation, but now there are five because of our Third Congressional District. We always go to the legislature and speak. When I spoke this February at the State legislature shortly after this tragedy in space, I had his parents there. They traveled from Las Vegas to Carson City for this joint session of the legislature. I said a few things, I am sure, that the members of the legislature agreed and thought was OK when I mentioned and pointed out his parents. Everyone in the Chamber rose and applauded these two very sad but proud parents.

So I am happy that there is a school in faraway Guam named after Willie, who pursued his dream of space with vigor and passion. Teachers on Guam point to his remarkable life to inspire schoolchildren to dare to dream big and believe in themselves and to reach for the stars.

While he was at Dededo Middle School in Guam, young Willie wrote a poem that was published on the front page of the school newspaper that revealed his love of Guam and his early ambition to be an astronaut. This is a poem written by a child in middle school, but I think it really gives insight into this young man's dreams. This is the poem he wrote:

I came to an island in the middle of the sea,
It was so nice that I jumped for glee.
There are palm trees, coconuts, and bananas, too
Plus birds and fish so unbelievable but true.
It is so nice that no one can complain.
But he who does must be insane.
This is such a nice and beautiful place,
You'd think it was heaven—or outer space.

Even back then, Willie was thinking of going into space, and he did, now leaving behind the proud family members and an entire Nation that is aware of the sacrifice he made along with those others on that spacecraft.

I salute Willie McCool and his family and join in applauding and congratulating those school authorities in Guam who will have a school named

after a visionary, talented American hero.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

PRISONERS OF WAR RESOLUTION

Mr. NELSON of Florida. Madam President, it is my understanding that the sponsors of the resolution on the POWs are on their way to the Chamber. I just left Senator WARNER in a briefing with the Secretary of Defense. I wish to speak before the sponsors arrive on the subject of the POW resolution.

There are two POWs from Florida. Those whom we suspect are POWs are the ones who were interviewed on Al-Jazeera television, who were captured at about the time that PFC Jessica Lynch was captured. Of course, that was such a wonderfully successful mission of finding and retrieving her. The entire world has rejoiced at her return. From my State, one of the unaccounted whom we think is a POW is Private Williams from Orlando, FL.

Naturally, I will lend my support to this resolution which is most important not only to express our concern, but to express and demand that these prisoners of war be treated according to the Geneva Convention, which means that under the rules of war we treat prisoners of war humanely.

The conviction that arises in my voice comes from another POW in Iraq of 12 years from Jacksonville, FL, CAPT Scott Speicher. Our Defense Department made a mistake and initially declared him dead. On the first night of the gulf war 12 years ago, his F–18 was shot down, and we left a downed pilot. There were a series of mistakes. He was declared dead when there was not the evidence that he was dead.

When we repatriated the POWs in a POW exchange with Iraq, we did not even ask for him because at the time, through mistakes, they did not think he was a POW. They sent back surveillance assets to look at the crash site. They gave them the wrong coordinates, so they did not see the wreckage. It was not until some 5 years later that a Qatar hunting party found the wreckage of his jet.

Once that happened, we started making more inquiries. The American press got into it. Lo and behold, years later, the Defense Department finally admitted some of its mistakes and changed his status from killed in action to missing in action. Then just last fall, thanks to the Secretary of the Navy, they changed his status from missing in action to missing captured, which is the status for a POW.

The Defense Department says they do not know that he is alive. Madam President, I can tell you that Senator ROBERTS, who has been joined at the hip with me on this matter because the Speicher family was originally from Kansas and now lives in Florida, and I believe, through the information we have received, that he is alive.

It has been published that we have a special team that is now going into Iraq to look for him. What a great day it will be for America if we bring home this American pilot who we walked away from and who has been gone for 12 years.

Of course, we can imagine what has happened to his family, his minor children first being told their father was dead, and now having hope that he might be alive. It is a tragedy of gargantuan proportions. It is a tragedy that is borne out of the fog of war. It is a tragedy of bureaucratic ineptness and bureaucratic footdragging, but we can make that right by finding him.

Of course, the possibility is that in the ensuing melee, he might be used. It is our hope that we will resolve the fate of CAPT Scott Speicher, and it is my prayer, and the prayer of Americans all over this country, that he can be brought home and that he will be alive.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXPRESSING OUTRAGE AT TREATMENT OF CERTAIN AMERICAN PRISONERS OF WAR BY IRAQ

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. Con. Res. 31. The clerk will report the title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 31) expressing the outrage of Congress at the treatment of certain American prisoners of war by the Government of Iraq.

The PRESIDING OFFICER. Under the previous order, there is now 1 hour of debate evenly divided on the resolution.

The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, this resolution reads in part in the whereas clauses that Saddam Hussein has failed to comply with United Nations Security Council resolutions, and we enumerate a series of resolutions that the military action now underway against Iraq is lawful and fully authorized by the Congress in section 38 of Public Law 107–243, which passed the Senate on October 10, 2002, by a vote of 77 to 23 and which passed the House of Representatives on that same day by a vote of 296 to 33.

The whereas clauses, which will be printed in the RECORD, are numerous but very important, each and every one of them. I shall not go through them all, but they are:

Resolved by the Senate, with the House of Representatives concurring, that Congress express its outrage at the flagrant violations by the Government of Iraq of the customary international law and the Geneva Convention relative to the treatment of prisoners of war dated August 12, 1949, and entered into force October 21, 1950;

Further resolved, with the Senate supporting, in the strongest terms, the President's warning to Iraq that the United States will hold the Government of Iraq, its officials, and military personnel involved accountable for any and all such violations;

Further, expects Iraq to comply with the requirements of the international law of war and the explicit provisions of the Convention Relative to the Treatment of Prisoners of War which afford prisoners of war the proper and humane treatment they are entitled.

And lastly:

Expects that Iraq will afford prisoners of war access to representatives of the International Committee of the Red Cross, as required by the Convention Relative to the Treatment of Prisoners of War.

Throughout today, the Senate has had a series of briefings from senior representatives from the Departments of Defense and State and over 50 Senators attended a briefing given by the Secretary of Defense, Mr. Rumsfeld, accompanied by the Chairman of the Joint Chiefs, Richard Myers.

So far as we know, to date, none of the requirements of international law have yet been met by—I say the Government of Iraq, as the resolution does—Saddam Hussein's regime.

Prisoners of war have always been a subject that is very important to the Congress of the United States. Just down this hallway in the historic Rotunda, capped by the dome which is seen throughout the Nation's Capitol, and which is viewed throughout the world as a symbol of liberty—beneath the Capitol dome hangs that flag. It has been there ever since I was privileged to join this institution, and this is my 25th year, a quarter of a century. It is there because of the constant feeling of the Congress for the unaccounted-for prisoners of war and our compassion for the families and the loved ones they leave behind. I just want all America to know how important POWs are to this institution.

The distinguished majority leader, Mr. FRIST, the distinguished Democratic leader, Mr. DASCHLE, Mr. SANTORUM, Mr. STEVENS, Mr. INOUYE, Mr. MCCAIN, myself, and others working very carefully—Senator LUGAR joined us—put together, in very simple language, the expressions of this body of our concern for those unaccounted for in this war.

Today, I think our hearts were somewhat lifted, generally speaking, by the reports we received about the progress of the war to date. We watched, with the embedded journalists, as they are referred to, who risked their own lives and safety—a number having been lost

of recent days—to get the pictures, real time, so the world could see the statue of Saddam Hussein being dragged down to Earth, an act made possible by brave men and women of the coalition of forces fighting at this very moment in Iraq.

It was a historic moment today. For those of us who have had the opportunity to share in history, it brought back memories of the Berlin Wall. It brought back the memories of the American School, stories of when the Bastille fell and the prisoners were released.

A picture is worth a thousand words. Indeed, this was worth tens upon tens of thousands of words as the world witnessed.

Our President from the very first characterized this conflict as a war of liberation, a war where the coalition of the willing nations, primarily the United States, Great Britain, Poland, Australia—others that have contributed forces—a coalition of the willing to liberate the people of Iraq. We looked into the faces of many of those people today and shared with the world their joy—today in Baghdad; a day or two ago, Basra and elsewhere.

We were reminded just a few minutes ago by the Secretary of Defense and the Chairman of the Joint Chiefs that it is not over. Much could remain to be done. Our forces are committed. Our forces are in place. The sacrifices could once again result from the commitment of these brave young men and women of the Armed Forces of the United States. We are witnessing true liberation of an oppressed people, as our President, George Bush, said it would be.

It is important to remember that this moment could not have arrived without the bravery and professionalism and sacrifices of our young men and women in uniform. Those of us who have had the privilege of wearing that uniform in years past—and in a very modest way I have had that opportunity, together with many Members of this Chamber—I do not think we can recall a contemporary chapter in our lifetimes where we have seen a greater degree of professionalism, commitment, and bravery than by these troops. There were troops on the ground, troops in the air, sailors at sea—the precision with which the airmen have dropped their ordnance, often taking risks to protect as best we can in war the innocent people of this Nation of Iraq.

From the very onset we have made it clear we are not waging this conflict against those people. It is for those people and for their liberation. We must also acknowledge the exceptional professionalism, military professionalism of those who drew up this plan. There was none quite like it in the annals of military history. It had bold features, which historians will study for years to come. But Secretary Rumsfeld and General Tommy Franks, the CENTCOM commander, and others put it together. There were periods when some—not this Senator but some—questioned whether it was properly drawn up. But now I think without a doubt in the minds of any reasonable people, that plan is working well. It will continue to work well. It will fulfill the goals for which this conflict, by necessity of the failure of diplomacy, was initiated.

It is also important to remain cautious and vigilant. We were reminded of that again in the past hour by the Secretary and the General. Much remains to be done to stabilize a precarious security situation and restore order so that humanitarian and reconstruction efforts, which are really now underway, can grow in intensity and embrace, I hope, the contributions of many nations, not just the coalition of the willing but others who are willing to help these people.

Regrettably, more lives may be lost before we can be sure that freedom has been secured and the Saddam Hussein regime has no vestige of control for now and forevermore, so we can pursue, in relative security, fulfilling the goals for which we set out—to free these people and enable them to establish their own government, hopefully through a voting process, and elect their own representatives as quickly as possible.

As we have an uplifting of hearts and minds over the signs of what could be the beginning of the end of this conflict, we mourn for those we lost and renew our pledge to leave no one behind. There are still service men and women missing or captive, and we are make every effort to recover them. I particularly note CDR Scott Speicher, U.S. Navy. The Secretary just reaffirmed reports that we had heard a special team has been sent in to rescue this aviator who was among the very first who fell in the line of duty. Hopefully, he is alive and one day he can be repatriated to his family and the Navy which he loves so much.

The manner in which we have seen the Iraqi regime treat our people has been outrageous, unacceptable by any reasonable standard, by any interpretation of international law, by any understanding of common decency.

The resolution we consider today expresses the concerns of the Senate about this treatment and demands that they be treated humanely, as all civilized nations have agreed to do. To those who have witnessed the mistreatment or participated in the mistreatment of these brave men and women, we pledge that they will be held accountable.

The fact that there may be no longer a Government of Iraq is of no consequence. Those responsible for violating the rights of our service men and women will be held accountable. No matter where they are, we will eventually find them and hold them accountable.

It is noteworthy that we consider this resolution today not only because of the apparent increase in freedom for the people of Baghdad and the symbolic end of this oppressive regime but because President Bush has declared this day ''National Former POW Recognition Day.''

As we recall the service of those national heroes who gave so much in defense of our country, we also must think of our men and women still in captivity: We will not forget you. We will work for your fair treatment. We will tirelessly endeavor for your safe and speedy return. We will care for your families. We will leave no one behind.

Mr. President, I ask unanimous consent that relevant material be printed in the RECORD.

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

NATIONAL FORMER PRISONER OF WAR RECOGNITION DAY, 2003

Americas former Prisoners of War are national heroes whose service to our country will never be forgotten. These brave men and women who fought for America and endured cruelties and deprivation as prisoners of war helped to protect our Nation, liberated millions of people from the threats of tyranny and terror, and advanced the cause of freedom worldwide.

This year, our Nation commemorates the 50th anniversary of the signing of the armistice to end armed conflict in the Korean War. We remember Operation Little Switch, conducted April through May 1953, that freed 149 American POWs, and Operation Big Switch, conducted August through September 1953, which returned 3,597 Americans to our country. Finally, Operation Glory, conducted July through November 1954, was responsible for the return of the remains of 2,944 Americans from North Korea. During this observance, we also recognize and honor the more than 8,100 Americans still unaccounted for from the Korean War.

This year also marks the 30th anniversary of Operation Homecoming, in which 591 American POWs from Vietnam were returned. We also recognize and honor those Americans still unaccounted for from the Vietnam War.

All of these individuals are to be honored for their strength of character and for the difficulties they and their families endured. From World War II, the Korean War, and Vietnam, to the 1991 Gulf War, Operation Iraqi Freedom, and other conflicts, our service men and women have sacrificed much to secure freedom, defend the ideals of our Nation, and free the oppressed. By answering the call of duty and risking their lives to protect others, these proud Patriots continue to inspire us today as we work with our allies to extend peace, liberty, and opportunity to people around the world.

As we honor our former POWs, we are reminded of our current POWs, captured in Operation Iraqi Freedom. We will work to secure their freedom, and we pray for their speedy and safe return. These brave men and women in uniform follow in the footsteps of these former POWs who placed country above self to advance peace in a troubled world.

Now therefore, I GEORGE W. BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 9, 2003, as National Former Prisoner of War Recognition Day. I call upon all the people of the United States to join me in remembering former American prisoners of war by honoring the memory of

their sacrifices and in praying for the safe return of our POWs. I also call upon Federal, State, and local government officials and private organizations to observe this day with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this eighth day of April, in the year of our Lord two thousand three, and of the Independence of the United States of America the two hundred and twenty-seventh.

GEORGE W. BUSH.

Mr. LIEBERMAN. Mr. President, the progress in Iraq has been stunning. The war is not over, but it is within sight. I think we can safely say this looks like the beginning of the end. Saddam Hussein, that brutal and murderous dictator, is nowhere to be seen. Baghdad has been reclaimed, and the Iraqi people are being liberated.

But let us not for a moment forget the service and sacrifice of our brave and brilliant men and women in uniform, which brought us to this day. And let us not for a moment forget that in the midst of all this, while the Iraqi people are being freed, men and women of the American military remain prisoners—prisoners of the remnants of Saddam's brutal regime.

We all recall the heroic rescue of PFC Jessica Lynch last week. One soldier rescued, and so much joy. But that joy and the rush of events in Iraq cannot overshadow the danger that continues to face others like her who were not so fortunate to be saved from captivity.

We cannot and we shall not forget any missing American or POW, not for a moment. And, whether this regime is dying or dead, we cannot and will not allow the brutal treatment of American prisoners at the hands of Saddam's regime to unchallenged.

One way to do that, is to have the American Government speak with a strong and unified voice against this abhorrent behavior.

That is precisely what the resolution before us, S. Con. Res. 31, does. It expresses support for our troops reaffirms the international standards that have bound and will continue to bind the U.S. military in our treatment of Iraqi prisoners, makes clear the outrage of this Congress at Iraq's appalling and criminal treatment of American prisoners of war, and commits us, as a nation, to follow through and hold those who commit crimes against our soldiers accountable for their actions.

My colleague from Virginia and I offer this resolution proudly, for those Americans in captivity and those who may fall into captivity from this day forward. I am sure that I speak for both of us when I say that we are deeply gratified that our colleagues from Alaska and Hawaii, Senator STEVENS and Senator INOUYE—two honorable men whose contributions to this Nation on the battlefield are well-known—have joined us in cosponsoring this resolution. I further wish to thank Senator FRIST, our majority leader, and my good friend, Senator TOM DASCHLE, the Democratic leader, for their support.

This is not a partisan issue. It is not a question of politics. This is a matter of honor. And honor is something clearly lacking in the Iraqi regime.

The insulting and humiliating manner in which American prisoners of war have been publicly paraded and interrogated on state television is bad enough. To have members of the American Armed Forces allegedly executed in public—shot in the back of the head—is reprehensible. To have their bodies publicly displayed on state television was inhumane sacrilege.

I have been appalled—and I know I am not alone—by the flagrant violations of the rules of warfare and the Geneva Convention that we have witnessed these past weeks.

It is a violation of the Geneva Convention and the customary rules of war to mistreat prisoners of war. If the detailed legal terms are too much for Iraq's rulers, let me put it simply. You don't shoot prisoners. You don't torture them. You protect them. You treat them with decency as enemies in combat but fellow human beings.

But I am not surprised at what Saddam's henchmen are doing. For anyone who has yet to be convinced of the evil and tyrannical nature of Saddam's regime, I cannot imagine what greater proof is needed than the conduct of this regime in this conflict.

During the course of this war, which is hopefully now drawing to a close, Saddam has once again proven himself to be every bit as barbarous, every bit as cruel, and—yes—every bit as evil as we knew him to be.

Saddam and his son, Uday, have inserted members of the Fedayeen into the regular army in order to force soldiers and conscripts to fight, under the threat of murder or torture. They have sent those same Fedayeen into the villages and streets of Iraq, intimidating and terrorizing innocent civilians. These disgraceful thugs have been reported to have turned their guns on innocent Iraqi civilians—their own people—attempting to leave Basra.

The list goes on and on. Last week, paramilitary troops hid in the Ali Mosque in Kut, and opened fire on coalition forces—hoping that we would respond, and fire upon one of the holiest shrines in Shi'a Islam. I am pleased to note, that our troops showed restraint. Respect. They did not respond to the provocations.

That is honor. That is the understanding that even in war there are norms and there are rules. There is a difference between right and wrong. That is why the Coalition forces are providing prisoners of war with food and water. We have given the Red Cross free and open access. We do not believe that the crimes and inhumanity of Saddam's regime naturally extend to every member of his military.

We have especially sought to spare civilian life. It is a painful reality of war that civilian lives are lost in conflict. But the precision with which our military operates, the care we take to avoid civilian casualties, is unparalleled in the history of armed conflict. It has been said that the United States is more concerned about the safety and welfare of Iraqi civilians than the Iraqi Government. That is sadly, true.

Let me say again. This is—and I hope I can change the verb tense soon to ''has been''—a just and necessary war against a dangerous dictator. Coalition forces have fought with honor, with nobility, and with morality.

Our attempts to avoid civilian casualities, however, have been made more difficult by the Iraqi regime's adoption of terrorist tactics: Weapons hidden in hospitals, anti-chemical warfare suits and antidotes secreted in schools, troops hidden in civilian clothing who surrender, only to shoot our troops in the back.

The Iraqi regime has officially sanctioned the use of suicide bombings against our soldiers—adopting a tactic they have seen used with what they would call success against innocent civilians in Israel.

All this made clear that in Iraq we were not fighting, are not fighting, a separate war from the war against terrorism. Some say Saddam and bin Laden have different ideologies, different ambitions. But they share the same inhumane tactics, the same hatred for all who are different, the same fear of freedom, the same brutality and cruelty.

The resolution that we offer today cannot adequately convey our shock and disgust at the manner in which Saddam's regime has acted because there are not sufficient words to do so. But it is a clear statement of anger and of principle, and a clear statement of our intent to hold all those who commit war crimes accountable.

There should be no mistake. America does not simply speak about the rules of war. We live by them. And we do not merely condemn atrocities. We, as a Nation, will find those responsible and make them pay.

This is only a resolution. It cannot do what those Marines and Special Forces did in rescuing an American POW any more than a yellow ribbon tied around a lamppost or a tree. But it is an appropriate expression of our values, of our resolve, and a statement of our solidarity with those who risk their lives half a world away to secure our freedom.

I urge my colleagues to support this resolution.

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

Mr. BYRD. Mr. President, will the Senator withhold?

Mr. WARNER. Yes, of course.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, the world is now well aware of the story surrounding PFC Jessica Lynch, the young soldier from Palestine, WV, who was taken prisoner by the Iraqi military on March 23. She is now recovering from her captivity at a military

hospital in Germany. While we regard with awe the reports of her courage at the time of her capture, as well as the daring of the troops who carried out her rescue from that hospital deep in Iraq, our Nation cannot forget that there are others who have been captured or who have gone missing during this war. The Pentagon reports that seven Americans remain in Iraqi hands, and that eight of our troops remain missing.

These troops deserve to be treated with dignity and respect. The resolution before the Senate, which will shortly be voted on, is right to point out that the Government of Iraq, even in the waning days of its authority, is obligated under the Geneva Convention and customary international law to give humane treatment for our captured troops and protect them against acts of violence or intimidation and against insults and public curiosity.

The resolution makes a clear and commendable statement about how we expect our prisoners of war to be treated by Iraq. I think it is unfortunate that the resolution raises political issues about the policies that brought us to war in the Persian Gulf. Like two previous resolutions passed by the Senate, the preamble to this resolution, as it will be amended, will contain a clause which states, in part, ''Whereas, the military action now underway against Iraq is lawful and fully authorized by the Congress in Sec. 3(a) of Public Law 107–243.''

I do not concede that this war is lawful. I do not concede that it has been fully authorized by Congress. The Constitution clearly states that Congress shall have the power to declare war. That is one of the powers that Congress should not have the power to delegate to any President, which is exactly what Congress attempted to do in the use of force resolution passed by the Senate on October 11, 2002, which I voted against, and which I am proud I voted against. Allowing a President, whether Democrat or Republican, to exercise powers that are intended to reside only with the legislative branch is the surest way to upset the careful system of checks and balances that was designed by the Framers of the Constitution.

It appears that Baghdad is now falling under the control of U.S. forces. It is my sincere hope that the war can soon be brought to its conclusion, but the cessation of hostilities may still be some time away. We do our captured and missing service men and women no favors by glossing over the realities of this war. I hope that the 15 service members who are now captured or missing will be able to return to the safety of their homes and the love of their families. And it is in this vein that I will vote for the resolution.

Mr. President, I yield the floor.

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

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

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. SMITH. Mr. President, as in executive session, I ask unanimous consent that immediately following the vote on adoption of S. Con. Res. 31, the Senate proceed to executive session and an immediate vote on the confirmation of Calendar No. 106, Dee Drell, to be U.S. District Judge for the Western District of Louisiana; provided further, that following that vote, the Senate proceed to a vote on Calendar No. 107, Richard Bennett, to be U.S. District Judge for the District of Maryland; finally, I ask consent that following those votes, the President be immediately notified of the Senate's action.

Also, I ask unanimous consent that all time be yielded back on S. Con. Res. 31 and that the vote occur immediately.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on adoption of S. Con. Res. 31.

The clerk will call the roll.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN) is necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote ''aye.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—99

Akaka	Craig	Johnson
Alexander	Crapo	Kennedy
Allard	Daschle	Kerry
Allen	Dayton	Kohl
Baucus	DeWine	Kyl
Bayh	Dodd	Landrieu
Bennett	Dole	Lautenberg
Biden	Domenici	Leahy
Bingaman	Dorgan	Levin
Bond	Durbin	Lieberman
Boxer	Edwards	Lincoln
Breaux	Ensign	Lott
Brownback	Enzi	Lugar
Bunning	Feingold	McCain
Burns	Feinstein	McConnell
Byrd	Fitzgerald	Mikulski
Campbell	Frist	Miller
Cantwell	Graham (FL)	Murkowski
Carper	Graham (SC)	Murray
Chafee	Grassley	Nelson (FL)
Chambliss	Gregg	Nelson (NE)
Clinton	Hagel	Nickles
Cochran	Hatch	Pryor
Coleman	Hollings	Reed
Collins	Hutchison	Reid
Conrad	Inhofe	Roberts
Cornyn	Inouye	Rockefeller
Corzine	Jeffords	Santorum
Sarbanes	Snowe	Talent
Schumer	Specter	Thomas
Sessions	Stabenow	Voinovich
Shelby	Stevens	Warner
Smith	Sununu	Wyden

NOT VOTING—1

Harkin

The resolution (S. Con. Res. 31) was agreed to.

The amendment (No. 528) to the preamble was agreed to, as follows:

In the preamble strike the first 6 whereas clauses, and insert:

Whereas Saddam Hussein has failed to comply with United Nations Security Council Resolutions 678, 686, 687, 688, 707, 715, 949, 1051, 1060, 1115, 1134, 1137, 1154, 1194, 1205, 1284, and 1441;

Whereas the military action now underway against Iraq is lawful and fully authorized by the Congress in Sec. 3(a) of Public Law 107–243, which passed the Senate on October 11, 2002, by a vote of 77–23, and which passed the House of Representatives on that same date by a vote of 296–133;

The preamble, as amended, was agreed to.

The resolution, with its preamble, as amended, reads as follows:

S. Con. Res. 31, as amended and adopted was passed as follows:

S. CON. RES. 31

Whereas Saddam Hussein has failed to comply with United Nations Security Council Resolutions 678, 686, 687, 688, 707, 715, 949, 1051, 1060, 1115, 1134, 1137, 1154, 1194, 1205, 1284, and 1441;

Whereas the military action now underway against Iraq is lawful and fully authorized by the Congress in section 3(a) of Public Law 107–243, which passed the Senate on October 11, 2002, by a vote of 77–23, and which passed the House of Representatives on that same date by a vote of 296–133;

Whereas, in the ensuing conflict, Iraq has captured uniformed members of the United States Armed Forces and the armed forces of other coalition nations, including the United Kingdom;

Whereas several American prisoners of war appear to have been publicly and summarily executed following their capture in the vicinity of An Nasiryah, demonstrating, as the President said on March 26, 2003, that ''in the ranks of that regime are men whose idea of courage is to brutalize unarmed prisoners'';

Whereas Iraqi state television has subjected American prisoners of war to humiliation, interrogating them publicly and presenting them as objects of public curiosity and propaganda in clear contravention of international law and custom;

Whereas the customary international law of war has, from its inception, prohibited and condemned as war crimes the killing of prisoners of war and military personnel attempting to surrender;

Whereas Iraq is a signatory to the Convention Relative to the Treatment of Prisoners of War, dated at Geneva August 12 1949, and entered into force October 21, 1950 (''the Geneva Convention'');

Whereas the Geneva Convention requires that ''[p]risoners of war must at all times be humanely treated'' and specifically ''must at all times be protected, particularly against acts of violence or intimidation and against insults and public curiosity'';

Whereas the Geneva Convention stipulates that ''[p]risoners of war are entitled in all circumstances to respect for their persons and their honour'' and that ''[w]omen shall be treated with all the regard due to their sex'';

Whereas the Geneva Convention declares that the detaining power is responsible for

the treatment afforded prisoners of war, regardless of the identity of the individuals or military units who have captured them; and

Whereas the United States and the other coalition nations have complied, and will continue to comply, with international law and custom and the Geneva Convention: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) expresses its outrage at the flagrant violations by the Government of Iraq of the customary international law of war and the Convention Relative to the Treatment of Prisoners of War, dated at Geneva August 12 1949, and entered into force October 21, 1950;

(2) supports in the strongest terms the President's warning to Iraq that the United States will hold the Government of Iraq, its officials, and military personnel involved accountable for any and all such violations;

(3) expects Iraq to comply with the requirements of the international law of war and the explicit provisions of the Convention Relative to the Treatment of Prisoners of War, which afford prisoners of war the proper and humane treatment to which they are entitled; and

(4) expects that Iraq will afford prisoners of war access to representatives of the International Committee of the Red Cross, as required by the Convention Relative to the Treatment of Prisoners of War.

The PRESIDING OFFICER (Ms. COLLINS). The motion to reconsider is laid upon the table.

EXECUTIVE SESSION

NOMINATION OF DEE D. DRELL TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF LOUISIANA

The PRESIDING OFFICER. Under the previous order, the Senate shall proceed to executive session to consider the following nomination, which the clerk will report.

The legislative clerk read the nomination of Dee D. Drell, of Louisiana, to be United States District Judge for the Western District of Louisiana.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I ask unanimous consent that the next two votes be 10 minutes in duration.

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

The Senator from Vermont.

Mr. LEAHY. Madam President, I ask unanimous consent that it be in order at this point to request the yeas and nays for both nominees; that is, Dee Drell and Richard Bennett.

The PRESIDING OFFICER. Is there objection to requesting the yeas and nays at this time? Without objection, it is so ordered.

Mr. LEAHY. I ask for the yeas and nays on both nominees.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Dee D. Drell, of Louisiana, to be United States District Judge for the Western District of Louisiana. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN) is absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote ''Aye''.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 130 Ex.]

YEAS—99

Akaka	Dodd	Lincoln
Alexander	Dole	Lott
Allard	Domenici	Lugar
Allen	Dorgan	McCain
Baucus	Durbin	McConnell
Bayh	Edwards	Mikulski
Bennett	Ensign	Miller
Biden	Enzi	Murkowski
Bingaman	Feingold	Murray
Bond	Feinstein	Nelson (FL)
Boxer	Fitzgerald	Nelson (NE)
Breaux	Frist	Nickles
Brownback	Graham (FL)	Pryor
Bunning	Graham (SC)	Reed
Burns	Grassley	Reid
Byrd	Gregg	Roberts
Campbell	Hagel	Rockefeller
Cantwell	Hatch	Santorum
Carper	Hollings	Sarbanes
Chafee	Hutchison	Schumer
Chambliss	Inhofe	Sessions
Clinton	Inouye	Shelby
Cochran	Jeffords	Smith
Coleman	Johnson	Snowe
Collins	Kennedy	Specter
Conrad	Kerry	Stabenow
Cornyn	Kohl	Stevens
Corzine	Kyl	Sununu
Craig	Landrieu	Talent
Crapo	Lautenberg	Thomas
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wyden

NOT VOTING—1

Harkin

The nomination was confirmed.

NOMINATION OF RICHARD D. BENNETT, OF MARYLAND, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MARYLAND

The PRESIDING OFFICER. Under the previous order, the Senate shall proceed to consider Executive Calendar No. 107, which the clerk will report.

The legislative clerk read the nomination of Richard D. Bennett, of Maryland, to be United States District Judge for the District of Maryland.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Richard D. Bennett, of Maryland, to be a United States District Judge for the District of Maryland? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN) is absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote ''Aye''.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 131 Ex.]

YEAS—99

Akaka	Dodd	Lincoln
Alexander	Dole	Lott
Allard	Domenici	Lugar
Allen	Dorgan	McCain
Baucus	Durbin	McConnell
Bayh	Edwards	Mikulski
Bennett	Ensign	Miller
Biden	Enzi	Murkowski
Bingaman	Feingold	Murray
Bond	Feinstein	Nelson (FL)
Boxer	Fitzgerald	Nelson (NE)
Breaux	Frist	Nickles
Brownback	Graham (FL)	Pryor
Bunning	Graham (SC)	Reed
Burns	Grassley	Reid
Byrd	Gregg	Roberts
Campbell	Hagel	Rockefeller
Cantwell	Hatch	Santorum
Carper	Hollings	Sarbanes
Chafee	Hutchison	Schumer
Chambliss	Inhofe	Sessions
Clinton	Inouye	Shelby
Cochran	Jeffords	Smith
Coleman	Johnson	Snowe
Collins	Kennedy	Specter
Conrad	Kerry	Stabenow
Cornyn	Kohl	Stevens
Corzine	Kyl	Sununu
Craig	Landrieu	Talent
Crapo	Lautenberg	Thomas
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wyden

NOT VOTING—1

Harkin

The nomination was confirmed.

The PRESIDING OFFICER. The President shall be immediately notified of the Senate's actions on these nominations.

Mr. HATCH. Madam President, I am pleased today to speak in support of Dee Dodson Drell, who has been nominated to the United States District Court for the Western District of Louisiana, Alexandria Division.

Mr. Drell began his legal career with the U.S. Army Judge Advocate General's Corp upon graduation from Tulane University School of Law in 1971. He began his tour of duty as a defense counsel for courts martial, handling both misdemeanor and felony-level cases. He next moved to the position of prosecutor, during which time he was named Chief of Military Justice. He remained in that position until he completed his military service in 1975, after which he entered private practice.

Mr. Drell then joined the law firm of Gravel, Roy & Burnes. His practice focused primarily on personal injury, criminal defense and general civil litigation. In 1981, Drell joined the law firm of Gold, Weems, Bruser, Sues & Rundell, where he is currently a member and director. His primary areas of practice are insurance defense, contracts, employment law, health benefits and civil litigation.

Mr. Dell has a strong commitment to *pro bono* work that extends beyond his regular law practice. It includes work with organizations that provide services to people suffering from AIDS and AIDS-related illnesses. He provides legal services as a volunteer counselor for Central Louisiana AIDS Support

Services and AIDSLaw of Louisiana, Inc. He has also served as a legal advisor to the board of Shepherd Ministries, an ecumenically-based religious organization that provides services to the disadvantaged.

Throughout his career, Mr. Drell has won many accolades, such as recognition in Outstanding Young Men of America, 1976; designation as a Louisiana Bar Foundation Charter Fellow, 1998; and receipt of the Professionalism Award from the Crossroads-American Inn of Court, 2000.

I am confident that Mr. Drell will serve on the bench with compassion, integrity and fairness.

I yield the floor.

Madam President, I am also pleased today to speak in support of Richard D. Bennett, who has been nominated to the United States District Court for the District of Maryland.

Mr. Bennett is a distinguished practitioner whose career includes two terms of service with the United States Attorney's Office for the District of Maryland. His outstanding legal skills have been widely recognized, including mention in the 2003–2204 edition of The Best Lawyers in America.

Mr. Bennett began his legal career following his graduation from the University of Maryland School of Law in 1973. After graduation, he worked for the Baltimore law firm of Smith, Somerville & Case, where he specialized in insurance defense, as well as general civil and criminal litigation.

Mr. Bennett left private practice in 1976 to serve his first term with the U.S. Attorney's Office for the District of Maryland as Assistant U.S. Attorney. While there, he persecuted white collar crime, drug offenses, environmental violations, and virtually every kind of criminal case brought by the office. He served in that position until the end of 1980.

Next, Mr. Bennett and another former prosecutor formed a law partnership, Marr & Bennett, in early 1981. The practice specialized in federal and state litigation, with an emphasis on insurance and white collar criminal defense.

Mr. Bennett then merged his practice with the firm of Weaver & Bendos in 1989. He continued to specialize in Federal and State litigation.

In 1991, Mr. Bennett left Weaver, Bendos & Bennett to serve a second term with the U.S. Attorney's Office, this time as a U.S. Attorney, after being nominated by President George H.W. Bush and confirmed by the Senate. He served in that capacity until 1993.

Mr. Bennett has since returned to private practice as a partner with Miles & Stockbridge, one of Maryland's most prestigious law firms. His practice has increasingly focused on white collar criminal defense, government investigations, internal investigations, and grand jury practice. He served as Special Counsel to the Government Reform and Oversight Committee of the U.S. House of Representatives from August 1997 until June 1998.

Mr. Bennett has the support of both Maryland Senators, along with a unanimous ''Well Qualified'' ABA rating. With his legal acumen and experience as both defense counsel and federal prosecutor, I am confident that Mr. Bennett will make a fine jurist on the Federal bench.

I yield the floor.

Mr. LEAHY. With today's confirmation vote on the nominations of Dee Drell to the United States District Court for the Western District of Louisiana and Richard Bennett to the United States District Court of Maryland, Senate Democrats again demonstrate their bipartisanship toward consensus nominees.

With these confirmations the Senate will have confirmed 18 judicial nominees of President Bush so far this year and 118 overall.

During the entire four years of President Clinton's second term as President, Republicans never, not once, allowed the number of vacancies to dip below 50. The last time vacancies hit 49 was 7 years ago.

So far this year we have confirmed more judicial nominees of President Bush than the Republican majority was willing to confirm in the entire 1996 session when President Clinton was in the White House. That entire year only 17 judges were confirmed all year and that included none to the circuit courts, not one. In contrast, already this session two highly controversial circuit court nominees have already been confirmed among the 18 judges the Senate has approved to date. Those confirmations, including one that had more negative votes than the required number of be filibustered but who was not filibustered, never get acknowledged in partisan Republican talking points.

We are also ahead of the pace the Republican majority set in 1999 when it was considered President Clinton's judicial nominees—almost 6 months ahead. It was not until October that the Senate confirmed as many as 18 judicial nominees in 1999.

In the prior 17 months I chaired the Judiciary Committee, we were able to confirm 100 judges and vastly reduce the judicial vacancies that Republicans had stored up by refusing to allow scores of judicial nominees of President Clinton to be considered. We were able to do so despite the White House's refusal to consult with Democrats on circuit court vacancies and many district court vacancies.

There is no doubt that the judicial nominees of this President are conservatives, many of them quite to the right of the mainstream. Many of these nominees have been active in conservative political causes or groups. Democrats moved fairly and expeditiously on as many as we could consistent with our obligations to evaluate carefully and thoroughly these nominees to lifetime seats in the Federal courts. And we continue to do so.

Unfortunately, many of this President's judicial nominees have proven to be quite controversial and we have had serious concerns about whether they would be fair judges if confirmed to lifetime positions. Those controversial judges take more time and raise more concerns.

So, despite the fact that we are considering more controversial nominees from this President than with President Clinton, and despite the progress we have made in reducing judicial vacancies to the lowest level ever attained while President Clinton was in office and despite the pace of the lowest level ever attained while President Clinton was in office and despite the pace of confirmations, which exceeds that maintained by the Republican majority in 1999, Republicans still do nothing but criticize and castigate Senators if every judicial nominee is not confirmed by the Senate after a short debate.

The question I have been asking and the American people should ask is why are the Senate Republicans picking fights rather than working with us to make additional progress. The best example of that is the Republican insistence on seeking to proceed on the most controversial among the President's nominees instead of the circuit court nominations that Democratic Senators have supported and will support to the Fifth Circuit, the nomination of Judge Edward Prado of Texas. Judge Prado's nomination was unanimously reported by the Judiciary Committee. To date, there has been no effort by the Republican leadership to allow the Senate to consider and vote on that nomination. I do not believe the cynical comments of some that Republicans will not allows us to turn to the Prado nomination because he is Hispanic and when the Senate confirms him it would demonstrate yet again that the outrageous charges of anti-Hispanic sentiment that Republicans have tried to make against Democrats were and are ridiculous.

When Senator HATCH was chairman of the Committee and a Democratic President occupied the White House, Senator HATCH denied that even 100 vacancies was a vacancies crisis, according to a column he wrote for the September 5, 1997 edition of USA Today. During the Clinton administration, Senator HATCH repeatedly said that 67 vacancies was the equivalent of ''full employment'' in the Federal judiciary. As of these confirmations, there are not 49 judicial vacancies.

By Senator HATCH's standards we have reached well beyond ''full employment'' on the Federal bench.

Vacancies have dropped to this level in large part because during 17 months of Democratic control of the Senate, we confirmed 100 of President Bush's judicial nominees, even though Republicans averaged only 38 confirmations per year during their prior 6½ years of control of the Senate. We inherited 110 vacancies by the time the committee

was permitted to reorganize in the summer of 2001, and we confirmed 100 judicial nominees.

This historic number of confirmations in less than a year and a half, cut the number of vacancies to 60. There were 40 new retirements in this period. Chairman Hatch never acted as quickly on Clinton nominees.

The Democratic leadership also moved to confirm 17 circuit court nominees, some of them quite controversial, in those 17 months, even though Chairman HATCH averaged only 7 circuit court confirmations per year during the Clinton administration. This year, two more circuit nominees of President Bush have been confirmed, although other controversial ones have not.

These 19 confirmations of Bush circuit court nominees have reduced the number of circuit vacancies to 23. During the Clinton administration, Chairman HATCH and Senate Republicans blocked the confirmation of 22 circuit court nominees through anonymous holds, blue slips, and other procedures. Had those nominees been confirmed, and had Bush won the confirmation of 19 circuit nominees to vacancies that arose during his Presidency, the current number of circuit vacancies would be 1.

Republicans caused what they call the circuit vacancy crisis. The number of circuit vacancies more than doubled from 16 in January 1995 when Republicans took over the Senate to 33 in the summer of 2001, when the committee was permitted to reorganize under Democratic control. Still, the Senate has already confirmed 19 of his circuit court nominees in less than 2 years. By comparison, President Reagan had 19 circuit nominees confirmed in his first 2 years in office as did President Clinton. The difference is that in both of those administrations, the Presidents were working with Senate majorities of the same political party.

Lately I have heard Republicans complaining that not all of this President's circuit nominees have yet been confirmed, but he has had so many vacancies due to the massive obstruction of circuit seats by Republicans in the Clinton administration, doubling the number of circuit vacancies, as opposed to keeping the rate of vacancies steady or reducing them. Republicans now can be heard to complain that some circuit court nominees did not get a vote in 1992, but that situation does not compare to the long stall of Clinton's circuit court nominees, and her is why:

Only 10 of the circuit nominees of President George H.W. Bush did not get a vote by the committee. Twenty-two of Clinton's circuit nominees did not get votes by the committee during Republican control. That is more than twice as many. Additionally, President George H.W. Bush won the confirmation of 67 percent of his circuit nominees between 1991 and 1992, a Presidential election year, which was consistent with prior Presidential election year congresses for President Reagan. In contrast, President Clinton won confirmation of only 15 of 34 circuit nominees in 1999–2000, about 44 percent.

Thus, because of the Republican success in blocking appellate judges, President Clinton's circuit court nominees were actually more likely than not to not be confirmed, an indignity not suffered by Bush's nominees. This was nothing compared to 1996, the first election year in modern history and recollection in which not a single circuit nominee was confirmed all year, with Republicans in charge. Plus, I would note that 6 of President Clinton's circuit nominees in 1999–2000 were actually re-nominees, like Judge Richard Paez who even Chairman HATCH admitted was ''filibustered'' in 2000 and who waited more than 1,500 days to be confirmed.

In fact, when you look at the actual percent of confirmations by session rather than the combined figure for two years, the percent of Clinton nominees blocked by Republicans is even more shocking. During 1999, only 7 of 25 Clinton circuit nominees were confirmed, or 28 percent, and 1999 was not a Presidential election year. In contrast, in 1991, the first President Bush won the confirmation of 9 of 17 nominees, or 53 percent. In 2000, Clinton won confirmation of 8 out of 25 nominees, including those not acted on in 1999, or 32 percent. In contrast in 1992, Bush won the confirmation of 11 of 21 circuit nominees, including those not acted on in 1991, which again was more than 52 percent.

Despite the wide-scale obstruction or filibustering of Clinton circuit vacancies—filibustering after all comes from the Dutch word for piracy or taking things that do not belong to you—Democrats worked hard to turn the other cheek and fill vacancies that were allowed to go unfilled due to Republican holds.

For example, under Democratic leadership, the Senate held the first hearing for a nominee to the Fourth Circuit in 3 years and confirmed him and another most controversial nominee, even though seven of President Clinton's nominees to that circuit never received hearings from Republicans. We proceed with the first hearing for a nominee to the Fifth Circuit in 7 years and confirmed her, even though three of President Clinton's nominees to that circuit never received hearings. In fact, we held hearings for all three of President Bush's nominees to that circuit even though three of President Clinton's nominees, Enrique Moreno, Jorge Rangel, and Alston Johnson, were never allowed hearings by Republicans.

We proceeded with the first hearing on a nominee to the Sixth Circuit in almost 5 years and confirmed her and another controversial nominee to that circuit even though three of President Clinton's nominees to that circuit never received a hearing. We proceeded with the first hearing on a nominee to the Tenth Circuit in 6 years and confirmed three, even though two of President Clinton's nominees to that circuit were never allowed hearings. With the confirmation of the controversial Tim Tymkovich to the Tenth Circuit last week we have now filled a total of four vacancies on that court. The seat to which he was nominated had been vacant for more than 4 years despite President Clinton having nominated two qualified nominees, neither of whom was ever accorded a hearing.

Had President Clinton's circuit court nominees been confirmed, the circuit courts would have been evenly balanced, with six circuits with a majority of Democratic appointees and six circuits with a majority of Republican appointees and one circuit with an even number of Democratic and Republican appointees.

If President Bush succeeds in winning the confirmation of nominees to every circuit vacancy he inherited plus the ones that have arisen since then, only two circuits will have a majority of Democratic appointees and 11 will have a majority of Republican appointees. In many of those circuits, the Republican appointees will have at least a 2–1 majority on every panel on average. More than 67 percent of the appointments to those courts will be by Republicans.

It is also important to remember when comparing what Republicans did to President Clinton's circuit nominees to what happened in 1992 that Chairman BIDEN moved through 66 of President Bush's judicial nominees in 1992, President George H.W. Bush's best year for confirmations, despite it being a Presidential election year. However, the Senate could not get through all of the nominees following the bipartisan judgeship bill of 1990 which increased the size of the Federal courts by more than 100 seats.

In the 102nd Congress, Chairman BIDEN got through 124 of President George H.W. Bush's nominees, including his nominee to the Supreme Court, Clarence Thomas. In fact, the Republicans did not allow President Clinton to win the confirmation of a many judges in 1999 and 2000 combined as Chairman BIDEN got through for President Bush in 1992 alone.

Finally, I would note that Chairman BIDEN moved through 20 circuit court nominees for President Bush in the 102nd Congress. As a consequence, the first President Bush was able to appoint 42 circuit judges in his one term as a President. Because of Republicans' blockade of any circuit court nominee to be confirmed in 1996, President Clinton was able to appoint only 30 circuit judges in his first term, more than 25 percent fewer than his predecessor, President George H.W. Bush, who had a Democratic Senate during his entire Presidency. In President Clinton's two full terms, Republican obstruction limited him to 65 circuit court appointment in those 8 years.

In contrast, President George W. Bush has already appointed 19 circuit

judges and, as I have indicated, the 20th confirmation, that of Judge Prado is stalled only because Republicans have refused to proceed to his consideration.

President Bush is poised to appoint at least one-quarter of Federal appellate courts in just one term, due to the large number of circuit court vacancies he inherited from President Clinton which were the result of widespread Republican obstruction.

The solution to the current logjam over circuit court judges is not to move them through more quickly with less scrutiny. The solution is for this President to consult with Senators from both parties in finding mainstream, consensus nominees, rather than this parade of activists and extremists that we have witnessed over these past few months. This President wants a clean slate on judicial nominees, but he refuses to do any of the work necessary to clean that slate. Instead of being a uniter in his judicial choices, he has divided this Senate and the American people by deferring to the far right wing of his party in the only lifetimes appointments in our entire government.

The Senate Judiciary Committee has been ridiculed, and I am sad to say, rightly so, for becoming a rubberstamp, an assembly line for these important nominations to the second highest courts in our Federal Government. The solution is genuine consultation and accommodation rather than this race to pack the courts and tip the balance with nominees who have shown a lack of respect for individual rights.

I am pleased to say, however, that not all of his nominees have been extremists. Particularly for the district court nominees when there has been bipartisan consultation, some of the judicial nominees have been conservative but within the mainstream.

Since the Republican majority will not allow the Senate to consider Judge Prado, let me turn briefly to the nominees before the Senate. Mr. Drell has been a lawyer's lawyer, rather than a political or judicial activist as so many of President Bush's circuit nominees are. Dr. Drell has been a member and a leader of numerous State and Local bar associations. He served on the State Committee or Post-Conviction Representation for 5 years and assisted the State bar with attorney disciplinary matters. Dr. Drell has been active in the Family Mediation Council of Louisiana, where he served as a board member from 1986 to 1992.

He also served as board member of the Rapides Parish Indigent Defender Board from 1987 to 1994. He served on the Louisiana Task Force on Racial and Ethnic Fairness in the Courts.

Mr. Drell has also devoted a considerable amount of time to helping individuals suffering with AIDS on a pro bono basis. He is directly involved as volunteer counsel for Central Louisiana AIDS Support Services and AIDSLaw of Louisiana, Inc. These two organizations provide services to persons with AIDS and AIDS-related complex. He has also devoted time to the Delta Region AIDS Education and Training Center. In 1997, he received the Pro Bono Publico Award in 1997 from AIDSLaw of Louisiana.

Mr. Drell ha a record of accomplishment and compassion as a lawyer of which we can all be proud. He has the full support of both of his home-State Senators. His record has generated no controversy or criticism. If only, our circuit court nominees had records such as his. This nomination is a good example of the kind of candidate who engenders bipartisan support.

I congratulate Mr. Drell, his family and the Senators from Louisiana on his nomination and confirmation.

The other nominee confirmed today is Richard Bennett of Maryland. There is no doubt that Mr. Bennett is a conservative and a Republican, yet he has the support of his home-State Senators and the support of Senate Democrats.

In 1991, Mr. Bennett was chosen by President George H.W. Bush to be the United States Attorney for the District of Maryland and the Senate confirmed him without dissent. He has also run for State office as a Republican. He has litigated more than 100 cases, civil and criminal, most of which were in the Federal court to which he is nominated.

He has received an AV rating from Martindale-Hubbell, been selected to The Best Lawyers in America, and also received a meritorious service medal for his work in the military as a staff judge advocate.

Mr. Bennett served as special counsel to the Government Reform and Oversight Committee in 1997 and 1998 with Republican U.S. Representative Dan Burton, who was investigating campaign contributions during the 1996 election. He heads the Miles & Stockbrige Foundation, a charitable foundation.

I congratulate Mr. Bennett and his family on his confirmation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senator from Connecticut.

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

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

U CONN HUSKIES NCAA WOMEN'S CHAMPIONSHIP

Mr. DODD. Madam President, with a sense of parochial pride—although I note the Presiding Officer is from my region of the country, and I presume she may enjoy a sense of regional pride as well—I rise to address the victory last evening of the University of Connecticut women's basketball team in the national championship game. I don't want to take a long time today, but I send my congratulations to the team, the fans, and Coach Geno Auriemma, who is a wonderful friend of mine, his family, his remarkable coaching staff, and the tremendous team, led by Diana Taurasi, who is a junior, along with other underclassmen, who did what no one predicted they would be able to do following last year's national championship victory, and that is to follow on with a record of only one loss this season and to beat a great Tennessee team.

I note the Senator from Tennessee is in the Chamber, but I want my colleagues to know there are a couple of lobsters that are today enjoying life somewhere along the bottom of Long Island Sound because they did not end up on the dinner plate of the majority leader. Last evening at a gathering of friends, I wagered two New England lobsters versus some barbecue from Tennessee. So two lobsters on Long Island Sound are enjoying their freedom tonight; they are obviously pleased as well that the University of Connecticut team did as well as it did.

Congratulations to our State and their fans and the wonderful team. A resolution will be adopted later this evening commending this fine team and the staff of the University of Connecticut.

HONORING OUR ARMED FORCES

Mr. DODD. Madam President, we lost a young man from Connecticut in the Iraq conflict a few days ago. I want to take a few minutes to pay tribute to Marine SSGT Phillip Jordan of Enfield, CT, who was killed in action while on a combat mission in Iraq.

All Americans have been closely following our troops in Iraq since the war began 2 weeks ago. Every day we hear lots of facts and figures about the war, the number of sorties in the air, the number of tanks in the field, and the locations of various divisions throughout Iraq. We must never forget that behind those statistics are people. These people are our constituents, young men and women in uniform from all across this great land of ours, some who are not even citizens of this country but who have green cards and want to demonstrate their commitment to America by serving in the Armed Forces and commit themselves to do a job in the Persian Gulf because they have been asked to by the President.

We must never forget that each and every one of the more than 225,000 brave service men and women fighting in Iraq have family and friends at home to fight for our country overseas. Each of these heroes is making a tremendous contribution, a personal sacrifice, so all of us can be more secure in the United States.

Inevitably, in a conflict such as this, there are those who will make the ultimate sacrifice, some who will never return to their family and friends and communities. I would like to share the story of one of those fine Americans for a few moments this evening.

The individual I want to talk about is SSGT Phillip Jordan who was 42 years of age. He lived in Enfield with his wife Amanda and their 6-year-old son Tyler. His devotion to his country caused him to enlist in the Marines some 15 years ago as a private. Sergeant Jordan quickly advanced in the ranks to become a gunnery sergeant.

In 1991, he served in his first combat mission as a platoon leader in Operation Desert Storm, the first Persian Gulf war. After that conflict, Sergeant Jordan was based at Camp Lejeune in North Carolina before becoming a drill sergeant at Parris Island, SC. For 3 years he taught countless new recruits how to become U.S. marines. Few were better suited for the task—friends, family and his marine colleagues referred to Sergeant Jordan as a ''Marine's Marine'' for his can-do professional attitude. Just before he was shipped out in January to serve in the second Persian Gulf war, Sergeant Jordan was asked how he felt about once again being called to serve in combat. His response was: ''This is what I do. That's my job.''

He did that job with unflinching valor. Phillip Jordan was much more than just a fine marine. He was an incredibly fine, loving husband and remarkable father. Amanda Jordan described her husband as a caring and loving man who would go out of his way to do a favor for anyone at all. Each and every Sunday when he was home, he would make his family a homemade breakfast, right down to the flowers and fresh-squeezed orange juice. While stationed overseas, letters home always included two parts, one that began ''Dear Amanda'' and the other began ''Dear Tyler'' so that Tyler would have a letter of his own. Tyler certainly read those letters. He says he wants to grow up to be a marine some day, just like his father. There would be, perhaps, no more fitting tribute to a man who showed such tremendous dedication and devotion to his family and his Nation.

Phillip Jordan's friends liked to call him ''Gump,'' after the movie 11Forrest Gump,'' for his eternal optimism. Tragically, in times of war, such optimism is not always rewarded. We, as a Nation, can be assured a victory in this conflict and any others which may challenge us down the line, because we know our fighting forces are made up of men and women who share Phillip Jordan's sense of commitment and strength of character. We must always be mindful of the price they and their loved ones have paid for our freedom and our security, especially those like Phillip Jordan who paid the highest price of all.

Phillip Jordan was not the first casualty of this war and regrettably he will not be the last. It is important for all of us at this moment in time to reach out to the many families who have an empty chair at their dinner table because a father or mother, brother, sister, son, or daughter has been called to serve their Nation in a distant land. These families need our support more now than ever.

Young Tyler Jordan was asked the other day about his dad. He said he was confident his father was the best marine in Heaven.

On behalf of the Senate, I thank Phillip Jordan for his service to America, and extend the deepest sympathies, not only of my family but also of all of the Senate, to express our condolences to Amanda and Tyler Jordan and to that family. Our thoughts and prayers are with them.

I yield the floor.

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

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Without objection, it is so ordered.

MORNING BUSINESS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

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

LOCAL LAW ENFORCEMENT ACT OF 2001

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

I would like to describe a terrible crime that occurred September 28, 2001 in New York, NY. A Yemeni man was badly beaten in the Bronx while working at his newsstand. Three local men allegedly yelled, ''You Arabs get out of my neighborhood—we hate Arabs! This is war!'' before dragging him outside and hitting him in the head with a bottle.

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

ARMENIAN GENOCIDE 88TH ANNIVERSARY

Mr. FEINGOLD. Mr. President, today people around the world are pausing to remember and honor the victims of the Armenian genocide, which began 88 years ago in what is now Turkey. Between 1915 and 1923, one-and-a-half million Armenians—roughly 60 percent of the total Armenian population—were systematically murdered at the hands of agents of the Ottoman Empire, and hundreds of thousands more were forced to leave their homes. At that time, the word ''genocide'' had not yet entered our vocabulary. Now, 88 years later, this brutal episode of violence against the Armenian people is considered to have been the first, but unfortunately not the last, genocide of the 20th century.

Two decades later, in 1939, as Adolph Hitler, confident that history would exonerate him, prepared to send his armies into Poland with instructions to slaughter people indiscriminately and without mercy, he rhetorically asked his advisers: ''Who, after all, speaks today of the annihilation of the Armenians?'' That is precisely why I speak today, and every year on this date, to honor the Armenian people who lost their lives nearly a century ago and to remind the American people that the capacity for violence and hate is still prevalent in our world today.

Just in the last decade, we have seen systematic efforts to extinguish people because of their ethnicity in Bosnia, Rwanda, and Kosovo. Last year the Organization for Security and Cooperation in Europe noted a ''sharp escalation'' of anti-Semitic violence in Europe. Apparently, even lessons as searing and tragic as those of the Holocaust can be forgotten if we do not remain vigilant in our efforts to remember them.

Last year, as the chairman of the Subcommittee on Africa, I had the opportunity to visit the International Criminal Tribunal for Rwanda, which is setting groundbreaking legal precedents with regard to the treatment of genocide. Through such tribunals, the international community should send a powerful message to would-be mass-murderers that such horrific acts will not go unpunished. Since I became a member of the U.S. Senate, I have striven to make protection of basic human rights, and accountability for such atrocities, cornerstones of U.S. foreign policy, and I will continue to do so as long as I am here.

Today, we remember the men, women and children who perished in the Armenian genocide, because to forget them, or any of the countless millions who have been murdered because of their ethnicity over the past century, would be to invite such tragic episodes to be repeated.

PROTECTING CHILDREN AGAINST CRIME ACT OF 2003

Mr. DEWINE. Mr. President, as you know, April is Child Abuse Prevention Month, and this week is National Crime Victims' Rights Week. Furthermore, just last week, I joined with my friends and colleagues, Senators LINCOLN and SHELBY, in announcing our creation of a new, bipartisan Senate

Caucus on Missing, Exploited, and Runaway Children. And, just yesterday, I introduced the Protecting Children Against Crime Act of 2003, S.810.

I thank Senators GRASSLEY, HUTCHISON, and SHELBY for joining me as original cosponsors of the Protecting Children Against Crime Act of 2003. This important legislation would help protect our nation's children from the most heinous of criminals—child abductors, child pornographers, and others who would exploit or abuse children.

Every day, our local police and prosecutors are on the front line in the fight against the criminals who target children, and they deserve recognition for their hard work. However, the data suggest that law enforcement is fighting an uphill battle—child victimization remains a large, pervasive, and extremely troubling problem in the United States.

According to the Congressional Research Service, up to one in three girls and one in seven boys will be sexually abused in this nation before they reach the age of 18. Many child molesters prey upon dozens of victims before they are reported to law enforcement. Furthermore, some child molesters evade detection for long periods because many children never report the abuse. In fact, Bureau of Justice Statistics suggests that between 60 percent and 80 percent of child molestations and 69 percent of sexual assaults are never reported to the police. Of those sexual assaults that are reported, 71 percent of the victims are children.

We also have a long way to go on behalf of missing children. According to the National Center for Missing and Exploited Children, in 2001, 840,279 persons—adults and juveniles—were reported missing and entered into the FBI's national crime computer. As many as 725,000 of those reported missing were juveniles. On average, 2,000 children per day were reported missing to law enforcement in 2001, according to the National Center for Missing and Exploited Children.

Most missing children are eventually returned safely to their parents, but a small group of them are victims of more predatory abductors. The average victim of abduction and murder is a ''low risk'' 11-year-old girl from a middle-class neighborhood with a stable family relationship who has initial contact with an abductor within one-quarter mile of her home—this is according to a report by the U.S. Department of Justice and the Washington State Attorney General's Office.

For all of these reasons, it is vitally important that Congress do everything in its power to support parents and law enforcement in their efforts to protect our nation's most vulnerable citizens. Enacting the Protecting Children Against Crime Act of 2003 would be a step in the right direction.

Among its major provisions, this legislation would eliminate the statute of limitations, under our federal criminal code, for prosecuting certain sex crimes against children and child abduction offenses. This provision recognizes that victims of such crimes often do not come forward until years after the abuse, out of shame or a fear of further humiliation. It is important that a sexual predator still be held accountable once a sexual abuse victim courageously chooses to come forward.

In addition, this bill would call for those who produce or distribute child pornography to be included in the national sex offender registry. As stated by the United States Supreme Court more than two decades ago, child pornography ''is intrinsically related to the sexual abuse of children.'' Families need to know when a child pornographer moves into the neighborhood.

To assist States in finding their missing and runaway children, our bill also would authorize a new, grants-to-States program that encourages technology enhancements in the States' Amber Alert Communications Plans. Similar language, authored by Congressman Mark Foley, already has passed the House of Representatives as part of the Child Abduction Prevention Act, H.R. 1104. This language builds on the national Amber Alert legislation authored by Senator HUTCHISON and passed by the Senate earlier this year. Under the bill I introduced yesterday, this new grant program would be authorized at $5 million per year in each of fiscal years 2004 through 2007.

Finally, our bill would require the National Research Council of the National Academy of Sciences to conduct a study for Congress on the feasibility of having Internet Service Providers monitor online traffic to detect child pornography sites. The study also would examine both the extent to which credit cards are used to facilitate the sale of online child pornography and options for encouraging greater reporting of such illicit transactions to law enforcement officials.

Our bill would help ensure that our children are protected from the most treacherous of criminals. This is a fight we need to win and a fight for which we must give our law enforcement officers every tool at our disposal. I urge my colleagues to support the enactment of S. 810.

THE UNITED STATES AND ISRAEL: UNITED AGAINST TERROR

Mr. BUNNING. Mr. President, I would like to take a few minutes to talk to my colleagues in the Senate about the important relationship America has with our friends in Israel, and the crucial role that this relationship plays in the ongoing War on Terror.

As American and Coalition troops continue military operations to liberate the people of Iraq, it is important to recall that amidst all of the criticism in the world community for American actions, there has been at least one nation that has steadfastly stood by our side since September 11 and even before.

That nation is the State of Israel.

Americans awoke fully to the realities of terrorism on that fateful morning in September, 2001. But for the children of Israel, acts of terrorism are an all too common occurrence. Israel long ago learned all too well about the true nature of the threat we face, and their assistance in combating that threat has been invaluable to the American people.

American support for Israel was strong even before September 11, but I believe it is even stronger now. It is strong in the Congress, in the White House, and throughout America.

Israel is our greatest friend in a very troubled region. This is as it should be; Israel has suffered greatly, in blood and treasure, and deserves strong American support. Israel has been an island of stability in a turbulent Middle Eastern sea.

That is why I have strongly supported economic and military aid to Israel, including the $9 billion in loan guarantees and $1 billion in FMF funds now pending before Congress as part of the supplemental spending bill to pay for the War on Terror. And that is why I have signed a letter to President Bush urging him to remain true to his vision for peace between Israel and the Palestinians as stated in his historic June 24, 2002, Rose Garden speech.

Since September 2000, when Yasser Arafat rejected the Camp David offer put forth by Israeli Prime Minister Ehud Barak—and the subsequent, even more generous Taba offer backed by President Clinton that would have granted the Palestinians a sovereign state on 97 percent of the West Bank and Gaza, removed the majority of Israeli settlements, and allowed for Palestinian control over the Temple Mount—Israel has faced an onslaught of organized terrorism against its men, women and children.

The Dolphinarium disco, a Sbarro pizzeria, the Moment Café, a Passover seder—all were targets of homicide bombers sent by Palestinian terror groups who have been permitted to operate freely within Palestinian society by Arafat's Palestinian Authority.

I actually ate once at that pizzeria. In 1999, I visited Israel and spent a week there so I could better understand its history and events. On one of our last nights, my wife, Mary and I, along with our friends decided to eat out at that restaurant. To later then actually see a place with which you are familiar destroyed in a senseless act of violence really helps to put these chillingly serious matters in perspective.

It is a perspective that Israelis live with every day, and it is a perspective more and more Americans are coming to understand.

On the surface, these acts of terrorism are barbaric. But, on a deeper level, they also represent the utter failure of Arafat to live up to his commitment to Israel and the United States,

made as part of the 1993 Oslo peace accords, and for which Arafat was ironically given the Nobel Peace Prize, to renounce violence and crack down on terrorism.

Let me be perfectly clear: there is no moral equivalence between those who send teenagers to blow themselves up in crowded Israeli cafes and a government that must utilize its armed forces in order to defend its citizens.

Israeli Prime Minister Ariel Sharon has no choice but to fight a war against the terrorist infrastructure in the Palestinian territories so long as Arafat's police forces are doing nothing to stop terrorism, and worse, aiding it.

President Bush was exactly right when in his June 24 Rose Garden speech he called on the Palestinian people to elect new leaders untainted by terror, to build a democracy, and to end the scourge of terror, if they truly wanted the United States to recognize a Palestinian state. And it is vital that any ''roadmap'' toward the establishment of a Palestinian state be based on Palestinian performance, not timetables. Further, this performance should be judged by the party most trusted by Israelis—the United States—and not the United Nations, France, Russia or others.

On September 11, 2001, Israelis spontaneously gathered on the streets to mourn for the victims of that day's brutal attacks. Israel immediately offered the United States whatever assistance it might need. Israelis know terrorism, but they will never become inured to it.

At a time when Israel is treated as a pariah by the U.N. and much of Europe, when American academics seek to have universities divest from Israel, when anti-Semitic language reminiscent of the worst days of Nazism are considered fair game, it is imperative that the United States stand in solidarity with its true friend and ally, the State of Israel.

U.S. RELATIONS WITH ISRAEL

Ms. MURKOWSKI. Mr. President, as U.S.-led coalition forces act to remove Saddam Hussein from power, I would like to speak about another conflict in the Middle East that is, unfortunately, all too often in the news for the wrong reasons.

During the opening days of Operation Iraqi Freedom, U.S. forces seized two key airfields, known as H2 and H3, in Western Iraq. It was from these airfields that 39 Scud missiles were launched against Israel during the first Gulf War in 1991, prompting chaos and panic. While Israel was fortunate that the Scud strikes were ineffective, many more people died from heart failure blamed on war-related stress—68—than from the missile strikes themselves—2.

It was the intent of Saddam Hussein to prompt backlash by Arab nations against the U.S.-led coalition should Israel respond with military force to the Scud attacks. That concern remains valid today.

Much of the current opposition in the Muslim community to military action against Saddam Hussein stems from their desire to see an end to the ongoing Israeli-Palestinian conflict.

The United States policy toward Israel has been roundly criticized by some as lopsided in its support. There is no question that the United States provides Israel with more foreign assistance than any other nation—and deservedly so.

The United States played a critical role in the establishment of Israel in 1948. Our two nations are bound closely by historic and cultural ties as well as by mutual interests. As a key ally, and the only democracy in the Middle East, she deserves our support.

This does not mean, however, that the United States and Palestinians cannot build a similarly positive relationship.

On March 14, President Bush reiterated his support for the creation of a peaceful Palestinian State. I agree, and share the President's vision of two states, Israel and Palestine, living side by side in peace and security.

I welcome the appointment of Mahmoud Abbas as Prime Minister and applaud the Palestinian Authority's decision to rebuff Yasir Arafat's attempts to retain power over the Cabinet.

I am not convinced, however, that these actions alone are enough to warrant the United States' full endorsement. The Palestinian Authority must crack down on those terrorist organizations that seek to derail any prospects for peace in the Middle East. Groups like Hamas, Islamic Jihad and the al-Aqsa Martyrs Brigade.

I pose this simple test. If the Israeli military were to withdraw its forces to pre-1967 boundaries, what is the likelihood that Palestinian terrorist organizations would end their suicide attacks against innocent Israelis?

Likewise, if attacks by Palestinian terrorists were to end, what is the likelihood that Israeli troops would end their excursions into Palestinian held land?

At present, I would suggest the latter is a much more likely scenario.

Israel has every right to defend herself against these terrorist attacks—and the United States should not endorse efforts that would undermine Israel's national security.

There are those who suggest that U.N. peacekeepers should be sent in, or that the Middle East ''quartet''—the United States, Russia, the European Union and the United Nations—should present a roadmap for peace.

The United States should not—must not—be drawn into endorsing any ''roadmap'' that does not require the dismantling of the operational capabilities and financial support of terrorist groups within a Palestinian state. When Palestinian leaders refuse to crack down on terrorist organizations, Israel has every right to take the necessary measures to protect its national security.

Certainly, there is a role for the international community to play in the process. To provide assurances to both sides that their interests will not be steamrolled.

But, for true peace to be achieved, it is inherent that Israel and the Palestinian people reach a peace accord between themselves, without outside influence. An agreement dictated and enforced by a third party will not result in long lasting peace.

History has shown that peace cannot be achieved with Yasir Arafat in charge of the Palestinian Authority. At the Camp David summit in July 2000, then-Israeli Prime Minister Ehud Barak offered Chairman Arafat a remarkable array of concessions. Unfortunately, Arafat was unable to muster the political courage to accept these concessions—because to accept would mean the end of his reign; the end of his power over the Palestinian people. Yasir Arafat was not willing to make that sacrifice for peace in the Middle East.

We have seen this type of behavior from Arafat in the past. There is no indication that it will change in the future.

But now, the Palestinian Authority has moved past Yasir Arafat. The position of Prime Minister has been created. A Prime Minister has been appointed. The power to appoint a cabinet is his alone. The potential is there for truly significant reform.

This is encouraging. But it is only a beginning. Now, they must recognize that terror and violence do not work. That arrested extremists must remain in jail. That denouncing suicide attacks entails more that just words.

Certainly, Israel must do its part. The establishment of settlements in the territories seized in the 1967 war must be stopped. Retaliatory violence against innocent Palestinians must be curtailed. I was pleased to read that on March 24, Israeli troops dismantled an illegal Jewish settlement near Hebron. This crackdown on settlements must continue.

There is a dual responsibility here. Israeli and Palestinian authorities must prevent extremists on both sides from setting and driving the agenda. The continued acts of violence and aggression only demonstrate that some groups in the region will always oppose a peace agreement. These groups must be placed on the sidelines. They must be delegitimized.

Peace is possible. But it takes real effort by both sides to make it happen. We have seen significant concessions from Israel in the past. Yasir Arafat was unwilling to reciprocate. I am hopeful that Prime Minister Abbas proves more amenable.

THE MARQUETTE UNIVERSITY MEN'S BASKETBALL TEAM FINAL FOUR APPEARANCE

Mr. FEINGOLD. Mr. President, today, it is with great admiration that I congratulate the Marquette University Men's Basketball Team on their accomplishment in making it to the Final Four of this year's NCAA Basketball Tournament. Their season was extremely impressive and made folks proud to be from Wisconsin.

This was Marquette's third trip to the Final Four. Their first trip was in 1974, and they won the NCAA Championship in 1977. Their hard work and perseverance carried them into this prestigious position, which undoubtedly honored the instillings of Al McGuire, who was the coach from 1964 to 1977 and represents the spirit of this basketball program. With this great accomplishment, Marquette's coach Tom Crean graduates to the honors bestowed on this program in years past and has ignited the strong traditions of success that have long been a part of Marquette.

I take great pride in recognizing the Marquette University Men's Basketball Team in their attainment of a spot in the Final Four of the NCAA Tournament. I wish Coach Crean and the Marquette University basketball team all the best. Wisconsin is very proud.

ADDITIONAL STATEMENTS

HONORING DONNELL D. ETZWILER, M.D.

● Mr. COLEMAN. Mr. President, I rise today to honor a great American and a most distinguished Minnesotan, Donnell D. Etzwiler, M.D., as he receives the National Institute of Health Policy's Health Care Leadership Award.

Donnell D. Etzwiler, M.D., earned a Doctor of Medicine from Yale University School of Medicine in 1953. He practiced as a pediatrician specializing in diabetes care at the Park Nicollet Clinic in Minneapolis, Minnesota from 1957 to 1996.

In 1967, Dr. Etzwiler founded the International Diabetes Center, IDC, in Minnesota where he served as its President and Chief Medical Officer until 1996. The IDC's mission is to ensure that every individual with diabetes or at risk for diabetes receives the best possible care. Under Dr. Etzwiler's three decades of leadership, the IDC trained over 12,000 health professionals, including hundreds from other countries, including Japan, Poland, Russia, Mexico, and Brazil. Dr. Etzwiler's dedication to his pediatric patients resulted in the IDC organizing and hosting the First International Symposium on Diabetes Camps in 1974. This important group significantly contributed to the establishment of standards and accreditation for diabetes camp programs.

Donnell D. Etzwiler, M.D. served as President of the American Diabetes Association from 1976 to 1977. From 1982 to 1994, Dr. Etzwiler served as a Principal Investigator for the National Institutes of Health Diabetes Control and Complications Trial, a landmark study that showed that keeping blood glucose levels as close to normal as possible slows the onset and progression of eye, kidney, and nerve diseases caused by diabetes.

Dr. Etzwiler's commitment to improving diabetes care was international in scope. From 1986 to 1994 he served as the Chairman of the Diabetes Collaborating Centers for the World Health Organization in Geneva, Switzerland. In 1994, the Russian Government, awarded Dr. Etzwiler a Peace Award for co-founding and co-directing the International Diabetes Programme in Russia from 1989 to 1997.

Dr. Etzwiler was extensively involved in professional medical associations, where he served in numerous leadership positions. He was a member of the Institute of Medicine. He has received over 30 hours and awards from professional and civic organizations, including the Charles H. Best Medal for Distinguished Service in 1994 from the American Diabetes Association. A Professor of Medicine for over 40 years, Dr. Etzwiler has published over 180 articles and abstracts about diabetes care.

Today, I ask my colleagues to join me in honoring this great man. Through his commitment and compassion, Dr. Donnell D. Etzwiler has improved health care both nationally and internationally for people with diabetes. Thanks to Don, people—especially children—with diabetes live happier and healthier lives.●

TOWNS COUNTY MIDDLE SCHOOL TRIP TO WASHINGTON, DC

Mr. MILLER. Mr. President, in recognition of being named one of TIME magazine's 2001 Schools of the Year and for being selected as the first Georgia Lighthouse School to watch this year, Senator ZELL MILLER invited the student council representing Towns County Middle School to visit, tour, and study the Nation's Capital, Washington, DC. The students were accompanied by Mrs. Margaret Dendy, Partners in Education Coordinator for the school, and Mr. Stephen H. Smith, principal and 2003 Georgia Principal of the Year. Senator MILLER provided a tour of the Senate to Amber Allen, Bart Arencibia, Sam Clay, Nathan Dye, Katie Dyer, Ali Jones, Josh Lickey, Bryan Miller, Kayla Moody, Jentry Moss, Katie Scott, Anderson Sutton, and Carolyn Sutton.

RECOGNIZING THE ACCOMPLISHMENTS OF STUDENTS AT GRACE KING HIGH SCHOOL IN THE WE THE PEOPLE COMPETITION

● Ms. LANDRIEU. Mr. President, on April 26, 2003, more than 1,200 students from across the United States will visit Washington, DC to compete in the national finals of the We the People: The Citizen and the Constitution program, the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. Administered by the Center for Civic Education, the We the People program is funded by the U.S. Department of Education by act of Congress.

I am proud to announce that the class from Grace King High School from Metairie will represent the State of Louisiana in this national event. These young scholars, led by their teacher Jamie Staub, have worked conscientiously to reach the national finals by participating at local and statewide competitions. As a result of their experience they have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The 3-day We the People national competition is modeled after hearings in the United States Congress. The hearings consist of oral presentations by high school students before a panel of adult judges on constitutional topics. The students are given an opportunity to demonstrate their knowledge while they evaluate, take, and defend positions on relevant historical and contemporary issues. Their testimony is followed by a period of questioning by the judges who probe the students' depth of understanding and ability to apply their constitutional knowledge.

The class from Grace King High School is currently preparing for their participation in the national competition in Washington, DC. It is inspiring to see these young people advocate the fundamental ideals and principles of our Government, ideas that identify us as a people and bind us together as a nation. It is important for future generations to understand these values and principles, which we hold as standards in our endeavor to preserve and realize the promise of our constitutional democracy. I wish these young ''constitutional experts'' the best of luck at the We the People national finals.●

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 12:45 p.m., a message from the House of Representatives, delivered by

Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 108. An act to amend the Education Land Grant Act to require the Secretary of Agriculture to pay the costs of environmental reviews with respect to conveyances under that Act.

H.R. 205. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a program to provide regulatory compliance assistance to small business concerns, and for other purposes.

H.R. 273. An act to provide for the eradication and control of nutria in Maryland and Louisiana.

H.R. 733. An act to authorize the Secretary of the Interior to acquire the McLoughlin House National Historic Site in Oregon City, Oregon, and to administer the site as a unit of the National Park System, and for other purposes.

H.R. 1584. An act to implement effective measures to stop trade in conflict diamonds, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 380. An act to amend chapter 83 of title 5, United States Code, to reform the funding of benefits under the Civil Service Retirement System for employees of the United States Postal Service, and for other purposes.

The message further announced that pursuant to section 206 of the Juvenile Justice and Delinquency Protection Act of 1974 (42 U.S.C. 5616), and the order of the House of January 8, 2003, the Speaker reappoints the following member on the part of the House of Representatives to the Coordinating Council on Juvenile Justice and Delinquency Prevention for a 3-year term: Mr. Michael J. Mahoney of Chicago, Illinois.

The message also announced that pursuant to 40 U.S.C. 188a, and the order of the House of January 8, 2003, the Speaker appoints the following Members of the House of Representatives to the United States Capitol Preservation Commission: Mr. YOUNG of Florida and Mr. LATOURETTE of Ohio.

The message further announced that pursuant to 40 U.S.C. 188a, the Minority Leader appoints the following Members of the House of Representatives to the United States Capitol Preservation Commission for the 108th Congress: Mr. FATTAH of Pennsylvania

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills

H.R. 397. An act to reinstate and extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois.

H.R. 672. An act to rename the Guam South Elementary /Middle School of the Department of Defense Domestic Dependents Elementary and Secondary Schools system in honor of Navy Commander William ''Willie'' McCool, who was the pilot of the Space Shuttle Columbia when it was tragically lost on February 1, 2003.

MEASURES REFERRED

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

H.R. 108. An act to amend the Education Land Grant Act to require the Secretary of Agriculture to pay the costs of environmental reviews with respect to conveyances under that Act; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 205. An act to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

H.R. 733. An act to authorize the Secretary of the Interior to acquire the McLoughlin House National Historic Site in Oregon City, Oregon, and to administer the site as a unit of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

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–1849. A communication from the Director, Regulations Management, Board of Veterans' Appeals, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Board of Veterans' Appeals; Rules of Practice—Appeal Withdrawal (2900–AK71)'' received on April 3, 2003; to the Committee on Veterans' Affairs.

EC–1850. A communication from the Chairman, Medicare Payment Advisory Commission, transmitting, pursuant to law, the March 2003 Report to the Congress: Medicare Payment Policy, received on April 3, 2003; to the Committee on Finance.

EC–1851. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Fringe Benefits Aircraft Valuation Formula (Rev. Rul. 2003–25)'' received on April 2, 2003 ; to the Committee on Finance.

EC–1852. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Diesel Fuel; Blended Taxable Fuel (TD 9051)'' received on April 2, 2003; to the Committee on Finance.

EC–1853. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Information Reporting Requirements Under Section 60501 For Cash Transactions That Involve The Rental Of Taxicabs For A Daily Shift (Rev. Proc. 2003–27)'' received on April 2, 2003; to the Committee on Finance.

EC–1854. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Section 4945 Scholarship Grants by Employer-Related Private Foundation in Qualified Disaster Context (Rev. Rul. 2003–32)'' received on April 2, 2003; to the Committee on Finance.

EC–1855. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Tax-Exempt Bond Look Through (Rev. Proc. 2003–32)'' received on April 2, 2003; to the Committee on Finance.

EC–1856. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of rule entitled ''Announcement and Report Concerning Advance Pricing Agreements (2003–19)'' received on April 2, 2003; to the Committee on Finance.

EC–1857. A communication from the Regulations Officer, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of rule entitled ''Medicare Program; Improvements to the Medicare and Choice Appeal and Grievance Procedures (0938–AK48)'' received on April 4, 2003; to the Committee on Finance.

EC–1858. A communication from the Regulations Officer, Center for Medicare and Management, Centers for Medicare and Medicaid Services, transmitting, pursuant to law, the report of rule entitled ''Update of Ambulatory Surgical Center List of Council Procedures Effective July 1, 2003 (0938–AM02)'' received on March 28, 2003; to the Committee on Finance.

EC–1859. A communication from the General Counsel, Federal Energy Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Critical Energy Infrastructure Information (RIN 1903–AC11)'' received on April 1, 2003; to the Committee on Energy and Natural Resources.

EC–1860. A communication from the Secretary, Judicial Conference of the United States, transmitting, pursuant to law, the report relative to the judiciary's courthouse construction requirements and construction budget for fiscal year 2004 along with the out-year requirements for fiscal years 2005–2008, received on April 4, 2003; to the Committee on the Judiciary.

EC–1861. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Administrative Wage Garnishment (RIN 0990–AA05)'' received on March 28, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–1862. A communication from the Assistant Secretary, Occupational Safety and Health Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''29 CFR 1979, Procedures for the Handling of Discrimination Complaints under Section 519 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century; Final Rule (1218–AB99)'' received on April 1, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–1863. A communication from the Commissioner, Social Security Administration, transmitting, pursuant to law, the report of the Strategic Plan of the Social Security Administration (SSA) for Fiscal Years 2003–2008; to the Committee on Finance.

EC–1864. A communication from the Inspector General, Department of Defense, transmitting, pursuant to law, the report relative to the Inspector General of the Department of Defense (DOD) annual assessment of the DOD voting assistance program, received on April 1, 2003; to the Committee on Rules and Administration.

EC–1865. A communication from the Administrator, Rural Business-Cooperative Service, Department of Agriculture, transmitting, pursuant to law, the report of rule entitled ''Methodlogy and Formulas for Allocation of Loan and Grant Program Funds (RIN 0570–AA30)'' received on April 7, 2003; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1866. A communication from the General Counsel, Department of the Treasury, transmitting, pursuant to law, the report of

a Draft Bill that would repeal an existing statutory provision relating to the Department of Agriculture's Cushion of Credit Payments Program, received on March 28, 2003; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1867. A communication from the Chairman, Broadcasting Board of Governors, transmitting, pursuant to law, the report of proposed legislation to authorize appropriations for the Broadcasting Board of Governors for Fiscal Years 2004 and 2005, received on April 4, 2003; to the Committee on Foreign Relations.

EC–1868. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed license for the export of major defense equipment and defense articles in the amount of 25,000,000 or more to Greece, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1869. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed license for the export of major defense equipment and defense articles in the amount of $50,000,000 or more to France, United Kingdom, Germany, Switzerland, Sweden, and Spain, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1870. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed license for the export of major defense equipment and defense articles in the amount of $100,000,000 or more to the United States, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1871. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed license for the export of major defense equipment and defense articles in the amount of 1,000,000 or more to Greece, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1872. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed manufacturing license for the manufacture of significant military equipment abroad to Germany, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1873. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report of certification of a proposed manufacturing license for the manufacture of significant military equipment abroad to Jordan, received on March 28, 2003; to the Committee on Foreign Relations.

EC–1874. A communication from the Assistant Secretary, Legislative Affairs, Department of Defense, transmitting, pursuant to law, the report on the Country Reports on Human Rights Practices for 2002, received on March 31, 2003; to the Committee on Foreign Relations.

EC–1875. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report relative to international agreements other than treaties entered into by the United States under the Case-Zablocki Act with Portugal, Israel, Cape Verde, received on April 1, 2003; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRASSLEY, from the Committee on Finance, with amendments:

S. 760. A bill to implement effective measures to stop trade in conflict diamonds, and for other purposes (Rept. No. 108–36).

By Mr. INHOFE, from the Committee on Environment and Public Works, without amendment:

H.R. 145. A bill to designate the Federal building located at 290 Broadway in New York, New York, as the ''Ted Weiss Federal Building''.

H.R. 289. A bill to expand the boundaries of the Ottawa National Wildlife Refuge Complex and the Detroit River International Wildlife Refuge.

S. 163. A bill to reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. 243. A bill concerning participation of Taiwan in the World Health Organization.

By Mr. INHOFE, from the Committee on Environment and Public Works, without amendment:

S. 763. A bill to designate the Federal building and United States courthouse located at 46 Ohio Street in Indianapolis, Indiana, as the ''Birch Bayh Federal Building and United States Courthouse''.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S.J. Res. 3. A joint resolution expressing the sense of Congress with respect to human rights in Central Asia.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR for the Committee on Foreign Relations:

*Lino Gutierrez, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Nominee: Lino Gutierrez.

Post: Argentina.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, none.
3. Children:

Susana Gutierrez, none.

Alicia Tio-Messina, none.

Diana Gutierrez, none.

4. Parents:

Maria Gutierrez-Novoa, none.

Lino Gutierrez-Novoa, deceased.

5. Grandparents:

Lino Gutierrez Alea, deceased.

Eugenia Novoa, deceased.

Luis Fernandez, deceased.

Etelvina Caubi, deceased.

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*Roland W. Bullen, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

Nominee: Roland Wentworth Bullen.

Post: Guyana.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

No contributions were made by any family members.

*Eric M. Javits, of New York, for the rank of Ambassador during his tenure of service as United States Representative to the Organization for the Prohibition of Chemical Weapons.

*John W. Snow, of Virginia, to be United States Governor of the International Monetary Fund for a term of five years; United States Governor of the International Bank for Reconstruction and Development for a term of five years; United States Governor of the Inter-American Development Bank for a term of five years; United States Governor of the African Development Bank for a term of five years; United States Governor of the Asian Development Bank; United States Governor of the African Development Fund; United States Governor of the European Bank for Reconstruction and Development.

Mr. LUGAR. Mr. President, for the Committee on Foreign Relations I report favorably the following nomination list which was printed in the RECORD on the date indicated and ask unanimous consent to save the expense of reprinting on the Executive Calendar that this nomination lie at the Secretary's desk for the information of Senators.

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

*Foreign Service nominations beginning Louise Brandt Bigott and ending Kathleen Hatch Allegrone, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 25, 2003.

By Mr. INHOFE for the Committee on Environment and Public Works.

Richard W. Moore, of Alabama, to be Inspector General, Tennessee Valley Authority.

*John Paul Woodley, Jr., of Virginia, to be an Assistant Secretary of the Army.

*Ricky Dale James, of Missouri, to be a Member of the Mississippi River Commission for a term of nine years.

*Rear Adm. Nicholas Augustus Prahl, National Oceanic and Atmospheric Administration, to be a Member of the Mississippi River Commission, under the provisions of Section 2 of an Act of Congress, approved 28 June 1879 (21 Stat. 37) (22 USC 642).

*Herbert Guenther, of Arizona, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environment Policy Foundation for a term two years.

*Bradley Udall, of Colorado, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

*Malcolm B. Bowekaty, of New Mexico, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

*Richard Narcia, of Arizona, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

*Robert Boldrey, of Michigan, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

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. LEAHY (for himself, Mr. KENNEDY, and Mr. BIDEN):

S. 826. A bill to amend the Violence Against Women Act of 1994 to provide for transitional housing assistance grants for child victims of domestic violence; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ALLEN, and Mr. SPECTER):

S. 827. A bill to amend the Federal Water Pollution Control Act to provide assistance for nutrient removal technologies to States in the Chesapeake Bay watershed; to the Committee on Environment and Public Works.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 828. A bill to amend the Elementary and Secondary Education Act of 1965 to establish a pilot program to make grants to eligible institutions to develop, demonstrate, or disseminate information on practices, methods, or techniques relating to environmental education and training in the Chesapeake Bay watershed; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, Ms. MIKULSKI, and Mr. SPECTER):

S. 829. A bill to reauthorize and improve the Chesapeake Bay Environmental Restoration and Protection Program; to the Committee on Environment and Public Works.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 830. A bill to require the Secretary of Agriculture to establish a program to expand and strengthen cooperative efforts to restore and protect forests in the Chesapeake bay watershed, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 831. A bill to establish programs to enhance protection of the Chesapeake Bay, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY:

S. 832. A bill to provide that bonuses and other extraordinary or excessive compensation of corporate insiders and wrongdoers may be included in the bankruptcy estate; to the Committee on the Judiciary.

By Mr. ALLARD:

S. 833. A bill to increase the penalties to be imposed for a violation of fire regulations applicable to the public lands, National Parks System lands, or National Forest System lands when the violation results in damage to public or private property, to specify the purpose for which collected fines may be used, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. LANDRIEU:

S. 834. A bill for the relief of Tanya Andrea Goudeau; to the Committee on the Judiciary.

By Ms. LANDRIEU:

S. 835. A bill to amend the Higher Education Act of 1965 to provide student loan borrowers with a choice of lender for loan consolidation, to provide notice regarding loan consolidation, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ROCKEFELLER:

S. 836. A bill to amend title 38, United States Code, to extend by five years the period for the provision by the Secretary of Veterans Affairs of noninstitutional extended care services and required nursing home care; to the Committee on Veterans' Affairs.

By Mr. BROWNBACK (for himself, Mr. MILLER, Mr. ALEXANDER, Mr. ALLARD, Mr. ALLEN, Mr. CORNYN, Mr. ENSIGN, Mr. ENZI, Mr. FITZGERALD, Mr. GRAHAM of South Carolina, Mr. INHOFE, Mr. SANTORUM, Mr. THOMAS, and Mr. BUNNING):

S. 837. A bill to establish a commission to conduct a comprehensive review of Federal agencies and programs and to recommend the elimination or realignment of duplicative, wasteful, or outdated functions, and for other purposes; to the Committee on Governmental Affairs.

By Ms. COLLINS (for herself, Mr. CARPER, and Mr. DURBIN):

S. 838. A bill to waive the limitation on the use of funds appropriated for the Homeland Security Grant Program; to the Committee on Governmental Affairs.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 839. A bill for the relief of Nancy B. Wilson; to the Committee on Finance.

By Mr. REID (for himself, Mr. BENNETT, Mr. ENSIGN, and Mr. HATCH):

S. 840. A bill to establish the Great Basin National Heritage Route in the States of Nevada and Utah; to the Committee on Energy and Natural Resources.

By Mr. HARKIN (for himself, Ms. MIKULSKI, Mr. KENNEDY, Mrs. BOXER, Mr. AKAKA, Mr. LEAHY, Mrs. MURRAY, Mr. FEINGOLD, and Mr. DURBIN):

S. 841. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY:

S. 842. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes; to the Committee on Finance.

By Mr. CARPER (for himself, Mr. CHAFEE, and Mr. GREGG):

S. 843. A bill to amend the Clean Air Act to establish a national uniform multiple air pollutant regulatory program for the electric generating sector; to the Committee on Environment and Public Works.

By Mr. CRAPO (for himself, Ms. MURKOWSKI, Mr. ENZI, Mr. ALLARD, Mr. KYL, and Mr. CRAIG):

S. 844. A bill to subject the United States to imposition of fees and costs in proceedings relating to State water rights adjudications; to the Committee on the Judiciary.

By Mr. GRAHAM of Florida (for himself, Mr. CHAFEE, Mr. MCCAIN, Mr. DASCHLE, Mr. JEFFORDS, Mr. BINGAMAN , Mrs. LINCOLN, Ms. COLLINS, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. CORZINE, Mr. LEVIN, Mr. SARBANES , Mr. DODD, Ms. LANDRIEU, Mrs. BOXER, Mr. KERRY , and Mr. NELSON of Florida):

S. 845. A bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance programs; to the Committee on Finance.

By Mr. SMITH (for himself and Mrs. LINCOLN):

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance, and for other purposes; to the Committee on Finance.

By Mr. SMITH (for himself, Mrs. CLINTON, Ms. COLLINS, Mr. BINGAMAN, Ms. CANTWELL, Mr. CORZINE, Mrs. FEINSTEIN, Ms. LANDRIEU, Mrs. MURRAY, and Mr. WYDEN):

S. 847. A bill to amend title XIX of the Social Security Act to permit States the option to provide medicaid coverage for low income individuals infected with HIV; to the Committee on Finance.

By Mr. HATCH:

S. 848. A bill for the relief of Daniel King Cairo; to the Committee on the Judiciary.

By Mr. McCAIN (for himself and Mr. KYL):

S. 849. A bill to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. HATCH:

S. Res. 111. A resolution designating April 30, 2003, as ''Dia de los Ninos: Celebrating Young Americans'', and for other purposes; to the Committee on the Judiciary.

By Ms. MURKOWSKI (for herself, Mr. AKAKA, Mr. BIDEN, Mr. DEWINE, Mr. JOHNSON, Mr. BAYH, Mr. BAUCUS, Mr. BROWNBACK, Mr. BUNNING, Mr. CAMPBELL, Mrs. CLINTON, Mr. COCHRAN, Ms. COLLINS, Mr. DOMENICI, Mr. DURBIN, Mr. KENNEDY, Ms. LANDRIEU, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, and Mr. STEVENS):

S. Res. 112. A resolution designating April 11th, 2003, as ''National Youth Service Day'', and for other purposes; considered and agreed to.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. Res. 113. A resolution commending the Huskies of the University of Connecticut for winning the 2003 NCAA Division I Women's Basketball Championship; considered and agreed to.

By Mr. DAYTON (for himself, Mr. COLEMAN, and Mrs. DOLE):

S. Res. 114. A resolution honoring the life of NBC Reporter David Bloom, and expressing the deepest condolences of the Senate to his family on his death; considered and agreed to.

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

S. Res. 115. A resolution congratulating the Syracuse University men's basketball team for winning the 2003 NCAA Division I men's basketball national championship; considered and agreed to.

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

S. Res. 116. A resolution commemorating the life, achievements, and contributions of Al Lerner; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. GREGG, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to provide for the payment of compensation for certain individuals with injuries resulting from the administration of smallpox countermeasures, to provide protections

and countermeasures against chemical, radiological, or nuclear agents that may be used in a terrorist attack against the United States, and to improve immunization rates by increasing the distribution of vaccines and improving and clarifying the vaccine injury compensation program.

S. 68

At the request of Mr. INOUYE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 68, a bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes.

S. 196

At the request of Mr. ALLEN, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 196, a bill to establish a digital and wireless network technology program, and for other purposes.

S. 215

At the request of Mrs. FEINSTEIN, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 215, a bill to authorize funding assistance for the States for the discharge of homeland security activities by the National Guard.

S. 243

At the request of Mr. LUGAR, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 243, a bill concerning participation of Taiwan in the World Health Organization.

S. 243

At the request of Mr. ALLEN, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 243, supra.

S. 317

At the request of Mr. GREGG, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 317, a bill to amend the Fair Labor Standards Act of 1938 to provide to private sector employees the same opportunities for time-and-a-half compensatory time off, biweekly work programs, and flexible credit hour programs as Federal employees currently enjoy to help balance the demands and needs for work and family, and for other purposes.

S. 538

At the request of Mrs. CLINTON, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 538, a bill to amend the Public Health Service Act to establish a program to assist family caregivers in accessing affordable and high-quality respite care, and for other purposes.

S. 616

At the request of Ms. COLLINS, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 616, a bill to amend the Solid Waste Disposal Act to reduce the quantity of mercury in the environment by limiting the use of mercury fever thermometers and improving the collection and proper management of mercury, and for other purposes.

S. 634

At the request of Mr. HATCH, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 634, a bill to amend the National Trails System Act to direct the Secretary of the Interior to carry out a study on the feasibility of designating the Trail of the Ancients as a national historic trail.

S. 664

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

S. 678

At the request of Mr. AKAKA, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 678, a bill to amend chapter 10 of title 39, United States Code, to include postmasters and postmasters organizations in the process for the development and planning of certain policies, schedules, and programs, and for other purposes.

S. 703

At the request of Mr. HAGEL, the names of the Senator from Indiana (Mr. LUGAR), the Senator from New Mexico (Mr. DOMENICI), the Senator from Hawaii (Mr. INOUYE), the Senator from Delaware (Mr. BIDEN) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 703, a bill to designate the regional headquarters building for the National Park Service under construction in Omaha, Nebraska, as the ''Carl T. Curtis National Park Service Midwest Regional Headquarters Building''.

S. 726

At the request of Ms. STABENOW, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 726, a bill to treat the Tuesday next after the first Monday in November as a legal public holiday for purposes of Federal employment, and for other purposes.

S. 758

At the request of Mr. LIEBERMAN, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 758, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S. 760

At the request of Mr. GRASSLEY, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 760, a bill to implement effective measures to stop trade in conflict diamonds, and for other purposes.

S. 780

At the request of Mr. LOTT, the names of the Senator from Colorado (Mr. CAMPBELL), the Senator from Virginia (Mr. ALLEN) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 780, a bill to award a congressional gold medal to Chief Phillip Martin of the Mississippi Band of Choctaw Indians.

S. 796

At the request of Ms. COLLINS, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 796, a bill to provide for the appointment of a Director of State and Local Government Coordination within the Department of Homeland Security and to transfer the Office for Domestic Preparedness to the Office of the Secretary of Homeland Security.

S. 805

At the request of Mr. LEAHY, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 805, a bill to enhance the rights of crime victims, to establish grants for local governments to assist crime victims, and for other purposes.

S. 811

At the request of Mr. ALLARD, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 811, a bill to support certain housing proposals in the fiscal year 2003 budget for the Federal Government, including the downpayment assistance initiative under the HOME Investment Partnership Act, and for other purposes.

S. 816

At the request of Mr. CONRAD, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 816, a bill to amend title XVIII of the Social Security Act to protect and preserve access of medicare beneficiaries to health care provided by hospitals in rural areas, and for other purposes.

S. 822

At the request of Mr. KERRY, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 822, a bill to create a 3-year pilot program that makes small, non-profit child care businesses eligible for SBA 504 loans.

S. 823

At the request of Mr. SANTORUM, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 823, a bill to amend title XVIII of the Social Security Act to provide for the expeditious coverage of new medical technology under the medicare program, and for other purposes.

S. 825

At the request of Mr. HARKIN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 825, a bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to protect pension benefits of employees in defined benefit plans and to direct the Secretary of the Treasury to enforce the age discrimination requirements of the Internal Revenue Code 1986.

S.J. RES. 1

At the request of Mr. KYL, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S.J. Res. 1, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

S.J. RES. 8

At the request of Mr. BROWNBACK, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S.J. Res. 8, a joint resolution expressing the sense of Congress with respect to raising awareness and encouraging prevention of sexual assault in the United States and supporting the goals and ideals of National Sexual Assault Awareness and Prevention Month.

S. CON. RES. 7

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

S. CON. RES. 31

At the request of Mr. LIEBERMAN, the names of the Senator from Oregon (Mr. SMITH), the Senator from Nebraska (Mr. HAGEL), the Senator from New Mexico (Mr. DOMENICI), the Senator from Georgia (Mr. MILLER), the Senator from Virginia (Mr. ALLEN) and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. Con. Res. 31, a concurrent resolution expressing the outrage of Congress at the treatment of certain American prisoners of war by the Government of Iraq.

S. CON. RES. 31

At the request of Mr. CORNYN, his name was added as a cosponsor of S. Con. Res. 31, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. KENNEDY, and Mr. BIDEN):

S. 826. A bill to amend the Violence Against Women Act of 1994 to provide for transitional housing assistance grants for child victims of domestic violence; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, I rise today to introduce legislation that will provide much-needed grants for transitional housing services to victims of domestic violence who are brave enough to leave an abusive situation and seek a new life of safety and freedom. I am pleased that Senators KENNEDY and BIDEN join me as original cosponsors of this important legislation.

I witnessed the devastating effects of domestic violence early in my career as the Vermont State's Attorney for Chittenden County. Today, more than 50 percent of homeless individuals are women and children fleeing domestic violence. More than half the cities surveyed by the U.S. Conference of Mayors in 2000 cited domestic violence as a primary cause of homelessness. The women and children who leave their abusers tend to have few, if any, funds with which they can support themselves. Shelters offer short-term assistance, but are overcrowded and unable to provide the support needed. Transitional housing allows women to bridge the gap between leaving a domestic violence situation and becoming fully self-sufficient, but such assistance is limited because there is currently no Federal funding for transitional housing specifically for those victims.

If we truly seek an end to domestic violence, then transitional housing must be available to all those fleeing domestic abuse. The stable, sustainable home base for women and their children found in transitional housing allows women the opportunities to learn new job skills, participate in educational programs, work full-time jobs, and search for adequate child care in order to gain self-sufficiency. Without such resources, many women eventually return to situations where they are abused and even killed. This cycle of domestic abuse must end, and transitional housing assistance is one of the tools we can use to end it.

A transitional housing grant program was last authorized for only one year as part of the reauthorization of the Violence Against Women Act in 2000. This program would have been administered through the Department of Health and Human Services and provided $25 million in fiscal year 2001. Unfortunately, funds were never appropriated for the program, and the authorization has now expired.

The grant program established in the bill I introduce today with Senators KENNEDY and BIDEN would establish a new Department of Justice grant program that authorizes the Attorney General, acting in consultation with the Director of the Violence Against Women Office of the Department of Justice, in consultation with the Secretary of Housing and Urban Development and the Secretary of Health and Human Services. This program would have the benefit of a wide range of expertise in the three departments, and has enormous potential to improve people's lives. It would authorize $30 million in DOJ transitional housing grants for each of the fiscal years 2004 through 2008.

This new grant program administered through DOJ will make a big impact in many areas of the country where availability of affordable housing is at an all-time low. There are many dedicated people working to provide victims of domestic violence with resources, such as Rose Pulliam of the Vermont Network Against Domestic Violence and Sexual Assault, but they can not work alone. We should all be concerned with providing victims of domestic violence a safe place to gain the skills and stability needed to make the transition to independence. This is an important component of reducing and preventing crimes that take place in domestic situations, ranging from assault and child abuse to homicide, and helping the victims of these crimes.

I am please that our bill will be included in the conference report on the PROTECT Act, S. 151. I thank the conferees for including in the conference agreement this language for a grant program that will supply to victims fleeing domestic violence situations tangible means by which they may move on with their lives.

I ask unanimous consent that a section by section analysis of this bill be printed in the RECORD.

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

A BILL TO AMEND THE VIOLENCE AGAINST WOMEN ACT OF 1994 TO PROVIDE FOR TRANSITIONAL HOUSING ASSISTANCE GRANTS FOR CHILD VICTIMS OF DOMESTIC VIOLENCE—SECTION-BY-SECTION ANALYSIS

SECTION 1. TRANSITIONAL HOUSING ASSISTANCE GRANTS FOR CHILD VICTIMS OF DOMESTIC VIOLENCE, STALKING, OR SEXUAL ASSAULT.

This section amends Subtitle B of the Violence Against Women Act of 1994 (42 U.S.C. 13701 note; 108 Stat. 1925) to include a new Chapter 11—Transitional Housing Assistance Grants for Child Victims of Domestic Violence, Stalking, or Sexual Assault.

Subsection (a) of this section authorizes the Attorney General, acting in consultation with the Director of Violence Against Women Office of the Department of Justice, in consultation with the Secretary of Housing and Urban Development and the Secretary of Health and Human Services, to award grants to organizations, States, units of local government, and Indian tribes to carry out programs to provide assistance to minors, adults, and their dependents who are homeless or in need of transitional housing or related assistance as a result of fleeing a situation of domestic violence, and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient.

Subsection (b) provides that the grants awarded may be used for programs that provide short-term housing assistance, which includes rental or utilities payments assistance and assistance with related expenses such as payment of security deposits and other costs incidental to relocation to transitional housing for minors, adults and their dependents. Grants will also be available for support services designed to help those fleeing a situation of domestic violence to locate and secure permanent housing, as well as integrate into a community by providing with services, such as transportation, counseling, child care services, case management, employment counseling, and other assistance.

Subsection (c) states that a minor, an adult, or a dependent who receives assistance under this section may receive that assistance for not more than 18 months. The recipient of a grant under this section may waive the time restriction for not more than an additional 6 month period with respect to any minor, adult, or dependent, so long as he or she has made a good-faith effort to acquire permanent housing; and has been unable to acquire permanent housing.

Subsection (d) specifies the application process for transitional housing grants. Each

eligible entity desiring such grants shall submit an application to the Attorney General at such time, in such manner, and accompanied by such information as the Attorney General may reasonably require. Each application shall describe the activities for which assistance under this section is sought; and provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of the grant program.

Subsection (e) states that a recipient of a Justice Department transitional housing grant must annually prepare and submit to the Attorney General a report describing the number of minors, adults, and dependents assisted, and the types of housing assistance and support services provided.

Subsection (f) provides that the Attorney General, with the Director of the Violence Against Women Office, must also annually prepare and submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report that contains a compilation of the information contained in the report submitted by grant recipients. Copies of this report will also be transmitted to the Office of Community Planning and Development at the United States Department of Housing and Urban Development and the Office of Women's Health at the United States Department of Health and Human Services.

Subsection (g) authorizes that there be appropriated to carry out the Department of Justice transitional housing grant program $30,000,000 for each of the fiscal years 2004 through 2008. Of the amount made available to carry out this section in any fiscal year, not more than 3 percent may be used by the Attorney General for salaries and administrative expenses. States, together with the grantees within the State (other than Indian tribes), shall be allocated in each fiscal year, not less than 0.75 percent of the total amount appropriated in the fiscal year for grants for transitional housing. The United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated not less than 0.25 percent of the total amount appropriated in the fiscal year for grants pursuant to this section.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ALLEN, and Mr. SPECTER):

S. 827. A bill to amend the Federal Water Pollution Control Act to provide assistance for nutrient removal technologies to States in the Chesapeake Bay watershed; to the Committee on Environment and Public Works.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 828. A bill to amend the Elementary and Secondary Education Act of 1965 to establish a pilot program to make grants to eligible institutions to develop, demonstrate, or disseminate information on practices, methods, or techniques relating to environmental education and training in the Chesapeake Bay watershed; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, Ms. MIKULSKI, and Mr. SPECTER):

S. 829. A bill to reauthorize and improve the Chesapeake Bay Environmental Restoration and Protection Program; to the Committee on Environment and Public Works.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 830. A bill to require the Secretary of Agriculture to establish a program to expand and strengthen cooperative efforts to restore and protect forests in the Chesapeake Bay watershed, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SARBANES (for himself, Mr. WARNER, Mr. ALLEN, and Ms. MIKULSKI):

S. 831. A bill to establish programs to enhance protection of the Chesapeake Bay, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. SARBANES. Mr. President, today I am introducing a package of five measures to sustain and, indeed, renew the Federal commitment to restoring the water quality and living resources of the Chesapeake Bay watershed. Joining me in sponsoring one or more of these measures are my colleagues from Virginia, Pennsylvania, and Maryland, Senators WARNER, ALLEN, MIKULSKI and SPECTER.

This year marks the 20th anniversary of the Chesapeake Bay Agreement, the historic Federal-State compact that launched the Chesapeake Bay restoration effort. Over the past two decades, we have made important progress both in putting in place the comprehensive, coordinated Federal-State-local and private sector management structure to guide the program and in specific initiatives to address key problems in the watershed. Three subsequent agreements were signed in 1987, in 1992 and in 2000, respectively, setting specific goals and action plans to restore the Chesapeake watershed. There are today over 700 groups and some 40 committees involved in the Bay Program. More than twenty-five Federal agencies are partnering with EPA and the Bay area States and there are numerous State agencies, local governmental organizations and citizen groups actively engaged in the restoration efforts. The level of public support and the degree of cooperation and coordination among all parties is unparalleled.

Despite these efforts, the job of restoring the Chesapeake to levels of quality and productivity that existed earlier in this century is far from complete. In its latest report card issued in November, 2002, the Chesapeake Bay Foundation gave the Chesapeake Bay a score of 27 out of 100—far short of the ''70'' level believed necessary for the Bay to be declared ''saved.'' The index underscores the continuing serious challenges facing the Bay. Nitrogen pollution from farms and city streets, sewage treatment plants, and air deposition, among other so-called non-point sources, continue to overload the Bay. Many of the living resources—oysters, shad, white perch, crabs—which are indicators of the Bay's health, are still in decline. Toxic chemicals are still present in the Bay's surface and bottom waters, having untold impacts on water quality and wildlife. A recent analysis undertaken by the Chesapeake Bay Commission estimates that the costs to clean the Bay and achieve the goals of the Chesapeake 2000 agreement over the course of the next seven years will exceed projected income by nearly $13 billion. Pollution from all sources will have to be further reduced, thousands of acres of watershed property must be preserved, significant efforts must be made to restore living resources, buffer zones to protect rivers and streams need to be created, education and stewardship efforts must be dramatically expanded.

While $13 billion seems like an enormous sum, we should remember that the health of the Chesapeake Bay is vital not only to the more than 15 million people who live in the watershed, but to the Nation. It is one of our Nation's and the world's greatest natural resources covering 64,000 square miles within six States. It is a world-class fishery that still produces a significant portion of the finfish and shellfish catch in the United States. It provides vital habitat for living resources, including more than 3600 species of plants, fish and animals. It is a major resting area for migratory waterfowls and birds along the Atlantic including many endangered and threatened species. It is also a one-of-a-kind recreational asset enjoyed by millions of people, a major commercial waterway and shipping center for much of the eastern United States, and provides jobs for thousands of people. In short, the Chesapeake Bay is a magnificent, multifaceted resource worthy of the highest levels of protection and restoration.

The five measures that we are introducing today are intended to help address some of the highest priority needs in the watershed and provide a Federal blueprint for restoring the Bay in the years ahead. I want to address each of these measures briefly.

The first measure, the Chesapeake Bay Watershed Nutrient Removal Assistance Act, would establish a grants program in the Environmental Protection Agency to support the installation of nutrient reduction technologies at major wastewater treatment facilities in the Chesapeake Bay watershed. I first introduced this measure during the 107th Congress and provisions of the legislation were included as part of S. 1961, the Water Investment Act of 2002, reported favorably by the Senate Environment and Public Works Committee. Unfortunately, no further action was taken on that legislation. Despite important water quality improvements over the past decade, nutrient

over-enrichment remains the most serious pollution problem facing the Bay. The overabundance of the nutrients nitrogen and phosphorous continues to rob the Bay of life sustaining oxygen. Recent modeling of EPA's Bay Program has found that total nutrient discharges must be reduced by more than 35 percent from current levels to restore the Chesapeake Bay and its major tributaries to health. To do so, nitrogen discharges from all sources must be reduced drastically below current levels. Annual nitrogen discharges into the Bay will need to be cut by at least 110 million pounds from the current 300 million pounds to less than 190 million pounds. Municipal wastewater treatment plants, in particular, will have to reduce nitrogen discharges by nearly 75 percent.

There are 304 major wastewater treatment plants in the Chesapeake Bay watershed: Pennsylvania, 123, Maryland, 65, Virginia, 86, New York, 18, Delaware, 3, Washington, D.C., 1, and West Virginia, 8. These plants contribute about 60 million pounds of nitrogen per year—one-fifth—of the total load of nitrogen to the Bay. Upgrading these plants with nutrient removal technologies to achieve nitrogen reductions of 3 mg/liter would remove 46 million pounds of nitrogen in the Bay each year or 40 percent of the total nitrogen reductions needed. Nutrient removal technologies have other benefits, as well. They provide significant sayings in energy usage, 20 to 30 percent, in chemical usage, more than 50 percent, and in the amount of sludge produced, five to 15 percent. They are one of the most cost-effective methods of reducing nutrients discharged to the Bay.

My legislation would provide grants for 55 percent of the capital cost of upgrading the plants with nutrient removal technologies capable of achieving nitrogen reductions of 3 mg/liter. Any publicly owned wastewater treatment plant which has a permitted design capacity to treat an annual average of 0.5 million gallons per day within the Chesapeake Bay watershed portion of New York, Pennsylvania, Maryland, West Virginia, Delaware, Virginia and the District of Columbia would be eligible to receive these grants. As a signatory to the Chesapeake Bay Agreement, the EPA has an important responsibility to assist the states with financing these water infrastructure needs.

The second measure, the Chesapeake Bay Environmental Education Pilot Program Act, would establish a new environmental education program in the U.S. Department of Education for elementary and secondary school students and teachers within the Chesapeake Bay watershed. There is a growing consensus that a major commitment to education—to promoting an ethic of responsible stewardship and citizenship among the nearly 16 million people who live in the watershed—is necessary if all of the other efforts to ''Save the Bay'' are to succeed. Expanding environmental education and training opportunities will lead not only to a healthier Chesapeake Bay ecosystem, but a more educated and informed citizenry, with a deeper understanding and appreciation for the environment, their community and their role in society as responsible citizens.

One of the principal commitments of the Chesapeake 2000 Agreement, is to ''provide a meaningful Bay or stream outdoor experience for every school student in the watershed before graduation from high school'' beginning with the class of 2005. Despite important efforts by Bay area states and not-for-profit organizations, only a very small percentage of the more than 3.3 million K–12 students in the watershed have had the opportunity to engage in meaningful outdoor experiences or receive classroom environmental instruction. Many of the school systems in the Bay watershed are only at the beginning stages in developing and implementing environmental education into their curriculum, let alone exposing students to outdoor watershed experiences. What's lacking is not the desire or will, but the resources and training to undertake more comprehensive environmental education programs.

This legislation would authorize $6 million a year over the next three years in Federal grant assistance to help close the resource and training gap for students in the elementary and secondary levels in the Chesapeake Bay watershed. It would require a 50 percent non-Federal match, thus leveraging $12 million in assistance. The funding could be used to help design, demonstrate or disseminate environmental curricula and field practices, train teachers or other educational personnel, and support on-the-ground activities or Chesapeake Bay or stream outdoor educational experiences involving students and teachers, among other things. The program would complement the NOAA Bay Watershed Education and Training Program that we established last year.

The third measure would reauthorize and enhance the Chesapeake Bay Environmental Protection and Restoration Program. This program, which was first established in Section 510 of the Water Resources Development Act of 1996, Public Law 104–303, authorizes the U.S. Army Corps of Engineers to provide design and construction assistance to State and local authorities in the environmental restoration of the Chesapeake Bay. To date, the Corps of Engineers has constructed or approved $9.3 million in projects under the Chesapeake Bay Environmental Restoration and Protection Program including oyster restoration projects in Virginia, shoreline protection and wetland/sewage treatment projects at Smith Island in Maryland and the upgrade of the Scranton Wastewater Treatment Plant in Pennsylvania to reduce the amount of nutrients delivered to the Chesapeake Bay. These projects have nearly exhausted the current $10 million authorization.

This legislation increases the authorization for this program from $10 million to $30 million. Consistent with all other environmental restoration authorities of the Corps of Engineers, it enables States and local governments to provide all or any portion of the 25 percent non-Federal share required in the form of in-kind services. It also establishes a new small-grants program for local governments and nonprofit organizations to carry out small-scale restoration and protection projects in the Chesapeake Bay watershed. The program would be administered by the National Fish and Wildlife Foundation which has extensive experience and expertise in managing these kinds of grants for other Federal agencies. Ten percent of the funds appropriated each year under this program would be set-aside for these grants. In view of the great need and the many requests for assistance from the Bay area states, this legislation is clearly unwarranted.

The forth measure, the Chesapeake Bay Watershed Forestry Act, would continue and enhance the USDA Forest Service's role in the restoration of the Chesapeake Bay watershed. Forest loss and fragmentation are occurring rapidly in the Chesapeake Bay region and are among the most important issues facing the Bay and forest management today. According to the National Resources Inventory, the States closest to the Bay lost 350,000 acres of forest between 1987–1997 or almost 100 acres per day. More and more rural areas are being converted to suburban developments resulting in smaller contiguous forest tracts. These trends are leading to a regional forest land base that is more vulnerable to conversion, less likely to be economically viable in the future, and is losing its capacity to protect watershed health and other ecological benefits, such as controlling storm water runoff, erosion and air pollution, all critical to the Bay clean-up effort.

Since 1990, the USDA Forest Service has been an important part of the Chesapeake Bay Program. Administered through the Northeastern Area, State and Private Forestry, this program has worked closely with Federal, State and local partners in the six-state Chesapeake Bay region to demonstrate how forest protection, restoration and stewardship activities, can contribute to achieving the Bay restoration goals. Over the past 12 years, it has provided modest levels of technical and financial assistance, averaging approximately $300,000 a year, to develop collaborative watershed projects that address watershed forest conservation, restoration and stewardship.

With the signing of the Chesapeake 2000 Agreement, the role of the USDA Forest Service has become more important than ever. Among other provisions, this Agreement requires the signatories to conserve existing forests along all streams and shoreline; promote the expansion and connection of

contiguous forests; assess the Bay's forest lands; and provide technical and financial assistance to local governments to plan for or revise plans, ordinances and subdivision regulations to provide for the conservation and sustainable use of the forest and agricultural lands. To address these goals, the USDA Forest Service must have additional resources and authority, and that is what this measure seeks to provide.

This legislation codifies the role and responsibilities of the USDA Forest Service to the Bay restoration effort. It strengthens existing coordination, technical assistance, forest resource assessment and planning efforts. It authorizes a small grants program to support local agencies, watershed associations and citizen groups in conducting on-the-ground conservation projects. It also establishes a regional applied forestry research and training program to enhance urban, suburban and rural forests in the watershed. Finally it authorizes $3.5 million for each of fiscal years 2004 through 2010, a modest increase in view of the six-State, 64,000 square mile watershed.

The fifth measure, the NOAA Chesapeake Bay Watershed Education, Training, and Restoration Act, would enhance the National Oceanic and Atmospheric, NOAA, Chesapeake Bay Office's authorities to address the living resource restoration and education and training goals and commitments of the Chesapeake 2000 agreement. It builds upon provisions contained in the Hydrographic Services Improvement Act Amendments of 2003, and addresses several urgent and unmet needs in the watershed. To help meet Bay-wide living resource education and training goals, it codifies the Bay Watershed Education and Training or, B–WET, Program—the first federally funded environmental education program focused solely on the Chesapeake Bay watershed—that we initiated in the Fiscal 2002 Commerce, Justice, State Appropriations bill and establishes an aquaculture education program to assist with oyster and blue crab hatchery production.

To better coordinate and organize the substantial amounts of data collected and complied by Federal, State and local government agencies and academic institutions—data such as information on weather, tides, currents circulation, climate, land use, coastal environmental quality, aquatic living resources and habitat conditions—and make this information more useful to resource managers, scientists and the public, it establishes an internet-based Coastal Predictions Center for the Chesapeake Bay. It also authorizes a shallow water monitoring program to address critical gaps in information on near shore and river area water quality conditions needed for restoration of living resources. And to help meet Chesapeake 2000 living resource restoration goals, it codifies the ongoing oyster restoration program an authorizes a new submerged aquatic vegetation restoration program.

Mr. President, these measures would provide an important boost to our efforts to save the Chesapeake Bay and a blueprint for the course ahead. They are strongly supported by the Chesapeake Bay Commission, the Chesapeake Bay Foundation, and other organizations in the watershed. I ask unanimous consent that the text of the bills and supporting letters to printed in the RECORD. I urge my colleagues to join with us in supporting the measures and continue the momentum contributing to the improvement and enhancement of our Nation's most valuable and treasured natural resource.

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

S. 827

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 ''Chesapeake Bay Watershed Nutrient Removal Assistance Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) nutrient pollution from point sources and nonpoint sources continues to be the most significant water quality problem in the Chesapeake Bay watershed;

(2) a key commitment of the Chesapeake 2000 agreement, an interstate agreement among the Administrator, the Chesapeake Bay Commission, the District of Columbia, and the States of Maryland, Virginia, and Pennsylvania, is to achieve the goal of correcting the nutrient-related problems in the Chesapeake Bay by 2010;

(3) by correcting those problems, the Chesapeake Bay and its tidal tributaries may be removed from the list of impaired bodies of water designated by the Administrator of the Environmental Protection Agency under section 303(d) of the Federal Water Pollution Control Act (33 U.S.C. 1313(d));

(4) nearly 300 major sewage treatment plants located in the Chesapeake Bay watershed annually discharge approximately 60,000,000 pounds of nitrogen, or the equivalent of 20 percent of the total nitrogen load, into the Chesapeake Bay; and

(5) nutrient removal technology is 1 of the most reliable, cost-effective, and direct methods for reducing the flow of nitrogen from point sources into the Chesapeake Bay.

(b) PURPOSES.—The purposes of this Act are—

(1) to authorize the Administrator of the Environmental Protection Agency to provide financial assistance to States and municipalities for use in upgrading publicly-owned wastewater treatment plants in the Chesapeake Bay watershed with nutrient removal technologies; and

(2) to further the goal of restoring the water quality of the Chesapeake Bay to conditions that are protective of human health and aquatic living resources.

SEC. 3. SEWAGE CONTROL TECHNOLOGY GRANT PROGRAM.

The Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) is amended by adding at the end the following:

''TITLE VII—MISCELLANEOUS

''SEC. 701. SEWAGE CONTROL TECHNOLOGY GRANT PROGRAM.

''(a) DEFINITION OF ELIGIBLE FACILITY.—In this section, the term 'eligible facility' means a municipal wastewater treatment plant that—

''(1) as of the date of enactment of this title, has a permitted design capacity to treat an annual average of at least 500,000 gallons of wastewater per day; and

''(2) is located within the Chesapeake Bay watershed in any of the States of Delaware, Maryland, New York, Pennsylvania, Virginia, or West Virginia or in the District of Columbia.

''(b) GRANT PROGRAM.—

''(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this title, the Administrator shall establish a program within the Environmental Protection Agency to provide grants to States and municipalities to upgrade eligible facilities with nutrient removal technologies.

''(2) PRIORITY.—In providing a grant under paragraph (1), the Administrator shall—

''(A) consult with the Chesapeake Bay Program Office;

''(B) give priority to eligible facilities at which nutrient removal upgrades would—

''(i) produce the greatest nutrient load reductions at points of discharge; or

''(ii) result in the greatest environmental benefits to local bodies of water surrounding, and the main stem of, the Chesapeake Bay; and

''(iii) take into consideration the geographic distribution of the grants.

''(3) APPLICATION.—

''(A) IN GENERAL.—On receipt of an application from a State or municipality for a grant under this section, if the Administrator approves the request, the Administrator shall transfer to the State or municipality the amount of assistance requested.

''(B) FORM.—An application submitted by a State or municipality under subparagraph (A) shall be in such form and shall include such information as the Administrator may prescribe.

''(4) USE OF FUNDS.—A State or municipality that receives a grant under this section shall use the grant to upgrade eligible facilities with nutrient removal technologies that are designed to reduce total nitrogen in discharged wastewater to an average annual concentration of 3 milligrams per liter.

''(5) COST SHARING.—

''(A) FEDERAL SHARE.—The Federal share of the cost of upgrading any eligible facility as described in paragraph (1) using funds provided under this section shall not exceed 55 percent.

''(B) NON-FEDERAL SHARE.—The non-Federal share of the costs of upgrading any eligible facility as described in paragraph (1) using funds provided under this section may be provided in the form of funds made available to a State or municipality under—

''(i) any provision of this Act other than this section (including funds made available from a State revolving fund established under title VI); or

''(ii) any other Federal or State law.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $132,000,000 for each of fiscal years 2004 through 2008, to remain available until expended.

''(2) ADMINISTRATIVE COSTS.—The Administrator may use not to exceed 4 percent of any amount made available under paragraph (1) to pay administrative costs incurred in carrying out this section.''.

S. 828

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 ''Chesapeake Bay Environmental Education Pilot Program Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) increasing public environmental awareness and understanding through formal environmental education and meaningful bay or stream field experiences are vital parts of the effort to protect and restore the Chesapeake Bay ecosystem;

(2) using the Chesapeake Bay watershed as an integrating context for learning can help—

(A) advance student learning skills;

(B) improve academic achievement in core academic subjects; and

(C)(i) encourage positive behavior of students in school; and

(ii) encourage environmental stewardship in school and in the community; and

(3) the Federal Government, acting through the Secretary of Education, should work with the Under Secretary for Oceans and Atmosphere, the Chesapeake Executive Council, State educational agencies, elementary schools and secondary schools, and nonprofit educational and environmental organizations to support development of curricula, teacher training, special projects, and other activities, to increase understanding of the Chesapeake Bay watershed and to improve awareness of environmental problems.

SEC. 3. CHESAPEAKE BAY ENVIRONMENTAL EDUCATION AND TRAINING GRANT PILOT PROGRAM.

Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.) is amended by adding at the end the following:

''PART D—CHESAPEAKE BAY ENVIRONMENTAL EDUCATION AND TRAINING GRANT PILOT PROGRAM

''SEC. 4401. DEFINITIONS.

''In this part:

''(1) BAY WATERSHED STATE.—The term 'Bay Watershed State' means each of the States of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia, and the District of Columbia.

''(2) CHESAPEAKE EXECUTIVE COUNCIL.—The term 'Chesapeake Executive Council' has the meaning given the term in section 307(e) of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (15 U.S.C. 1511d(e)).

''(3) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

''(A) a public elementary school or secondary school located in a Bay Watershed State; and

''(B) a nonprofit environmental or educational organization located in a Bay Watershed State.

''(4) PROGRAM.—The term 'Program' means the Chesapeake Bay Environmental Education and Training Grant Pilot Program established under section 4402.

''SEC. 4402. CHESAPEAKE BAY ENVIRONMENTAL EDUCATION AND TRAINING GRANT PILOT PROGRAM.

''(a) IN GENERAL.—The Secretary shall establish a grant program, to be known as the 'Chesapeake Bay Environmental Education and Training Grant Pilot Program', to make grants to eligible institutions to pay the Federal share of the cost of developing, demonstrating, or disseminating information on practices, methods, or techniques relating to environmental education and training in the Chesapeake Bay watershed.

''(b) FEDERAL SHARE.—The Federal share referred to in subsection (a) shall be 50 percent.

''(c) ADMINISTRATION.—The Secretary may offer to enter into a cooperative agreement or contract with the National Fish and Wildlife Foundation established by the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.), the Under Secretary for Oceans and Atmosphere, a State educational agency, or a nonprofit organization that carries out environmental education and training programs, for administration of the Program.

''(d) USE OF FUNDS.—An eligible institution that receives a grant under the Program shall use the funds made available through the grant to carry out a project consisting of—

''(1) design, demonstration, or dissemination of environmental curricula, including development of educational tools or materials;

''(2) design or demonstration of field practices, methods, or techniques, including—

''(A) assessments of environmental or ecological conditions; and

''(B) analyses of environmental pollution or other natural resource problems;

''(3) understanding and assessment of a specific environmental issue or a specific environmental problem;

''(4) provision of training or related education for teachers or other educational personnel, including provision of programs or curricula to meet the needs of students in various age groups or at various grade levels;

''(5) provision of an environmental education seminar, teleconference, or workshop for environmental education professionals or environmental education students, or provision of a computer network for such professionals and students;

''(6) provision of on-the-ground activities involving students and teachers, such as—

''(A) riparian forest buffer restoration; and

''(B) volunteer water quality monitoring at schools;

''(7) provision of a Chesapeake Bay or stream outdoor educational experience; or

''(8) development of distance learning or other courses or workshops that are acceptable in all Bay Watershed States and apply throughout the Chesapeake Bay watershed.

''(e) REQUIRED ELEMENTS OF PROGRAM.—In carrying out the Program, the Secretary shall—

''(1) solicit applications for projects;

''(2) select suitable projects from among the projects proposed;

''(3) supervise projects;

''(4) evaluate the results of projects; and

''(5) disseminate information on the effectiveness and feasibility of the practices, methods, and techniques addressed by the projects.

''(f) SOLICITATION OF APPLICATIONS.—Not later than 90 days after the date on which amounts are first made available to carry out this part, and each year thereafter, the Secretary shall publish a notice of solicitation for applications for grants under the Program that specifies the information to be included in each application.

''(g) APPLICATIONS.—To be eligible to receive a grant under the Program, an eligible institution shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

''(h) PRIORITY IN SELECTION OF PROJECTS.—In making grants under the Program, the Secretary shall give priority to an applicant that proposes a project that will develop—

''(1) a new or significantly improved environmental education practice, method, or technique, in multiple disciplines, or a program that assists appropriate entities and individuals in meeting Federal or State academic standards relating to environmental education;

''(2) an environmental education practice, method, or technique that may have wide application; and

''(3) an environmental education practice, method, or technique that addresses a skill or scientific field identified as a priority by the Chesapeake Executive Council.

''(i) MAXIMUM AMOUNT OF GRANTS.—Under the Program, the maximum amount of a grant shall be $50,000.

''(j) NOTIFICATION.—Not later than 3 days before making a grant under this part, the Secretary shall provide notification of the grant to the appropriate committees of Congress.

''(k) REGULATIONS.—Not later than 1 year after the date of enactment of the Chesapeake Bay Environmental Education Pilot Program Act, the Secretary shall promulgate regulations concerning implementation of the Program.

''SEC. 4403. EVALUATION AND REPORT.

''(a) EVALUATION.—Not later than December 31, 2007, the Secretary shall enter into a contract with an entity that is not the recipient of a grant under this part to conduct a detailed evaluation of the Program. In conducting the evaluation, the Secretary shall determine whether the quality of content, delivery, and outcome of the Program warrant continued support of the Program.

''(b) REPORT.—Not later than December 31, 2007, the Secretary shall submit a report to the appropriate committees of Congress containing the results of the evaluation.

''SEC. 4404. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to carry out this part $6,000,000 for each of fiscal years 2004 through 2007.

''(b) ADMINISTRATIVE EXPENSES.—Of the amounts made available under subsection (a) for each fiscal year, not more than 10 percent may be used for administrative expenses.''.

S. 829

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

SECTION 1. CHESAPEAKE BAY ENVIRONMENTAL RESTORATION AND PROTECTION PROGRAM.

Section 510 of the Water Resources Development Act of 1996 (110 Stat. 3759) is amended—

(1) in subsection (a)(2)—

(A) by striking ''The assistance'' and inserting the following:

''(A) IN GENERAL.—The assistance''; and

(B) by adding at the end the following:

''(B) AGREEMENTS.—In providing assistance under this subsection, the Secretary may enter into 1 or more cooperative agreements, to provide for public involvement and education and other project needs, with—

''(i) federally designated coastal ecosystem learning centers; and

''(ii) such nonprofit, nongovernmental organizations as the Secretary determines to be appropriate.'';

(2) in subsection (c), by adding at the end the following:

''(3) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), a non-Federal interest for any project carried out under this section may include, with the consent of the affected local government, a nonprofit entity.'';

(3) in subsection (d)(2)(A)—

(A) in the heading, by striking ''AND RELOCATIONS'' and inserting ''RELOCATIONS, AND IN-KIND CONTRIBUTIONS''; and

(B) by striking ''and relocations'' and inserting ''relocations, and in-kind contributions'';

(4) by striking subsection (i);

(5) by redesignating subsection (h) as subsection (i);

(6) by inserting after subsection (g) the following:

''(h) SMALL WATERSHED GRANTS.—

''(1) IN GENERAL.—The Secretary shall establish a program, to be administered by the National Fish and Wildlife Foundation, to

provide small watershed grants for technical and financial assistance to local governments and nonprofit organizations in the Chesapeake Bay region.

''(2) USE OF FUNDS.—A local government or nonprofit organization that receives a grant under paragraph (1) shall use funds from the grant only for implementation of cooperative tributary basin strategies that address the establishment, restoration, protection, or enhancement of habitat associated with the Chesapeake Bay ecosystem.''; and

(7) by inserting after subsection (i) (as redesignated by paragraph (5)) the following:

''(j) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000.

''(2) ANNUAL GRANT EXPENDITURE.—Of the amount made available under paragraph (1) to carry out this section for a fiscal year, not more than 10 percent may be used to carry out subsection (h) for the fiscal year.''.

S. 830

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 ''Chesapeake Bay Watershed Forestry Program Act of 2003''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) trees and forests are critical to the long-term health and proper functioning of the Chesapeake Bay and the Chesapeake Bay watershed;

(2) the Chesapeake Bay States are losing forest land to urban growth at a rate of nearly 100 acres per day; and

(3) the Forest Service has a vital role to play in assisting States, local governments, and nonprofit organizations in carrying out forest conservation, restoration, and stewardship projects and activities.

(b) PURPOSES.—The purposes of this Act are—

(1) to expand and strengthen cooperative efforts to protect, restore, and manage forests in the Chesapeake Bay watershed; and

(2) to contribute to the achievement of the goals of the Chesapeake Bay Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHESAPEAKE BAY AGREEMENT.—The term ''Chesapeake Bay Agreement'' means the formal, voluntary agreements—

(A) executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem and the living resources of the Chesapeake Bay ecosystem; and

(B) signed by the Council.

(2) CHESAPEAKE BAY STATE.—The term ''Chesapeake Bay State'' means each of the States of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia and the District of Columbia.

(3) COORDINATOR.—The term ''Coordinator'' means the Coordinator of the program designated under section 4(b)(1)(B).

(4) COUNCIL.—The term ''Council'' means the Chesapeake Bay Executive Council.

(5) PROGRAM.—The term ''program'' means the Chesapeake Bay watershed forestry program carried out under section 4(a).

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Chief of the Forest Service and the Coordinator.

SEC. 4. CHESAPEAKE BAY WATERSHED FORESTRY PROGRAM.

(a) IN GENERAL.—The Secretary shall carry out a Chesapeake Bay watershed forestry program under which the Secretary shall make grants and provide technical assistance to eligible entities to restore and conserve forests in the Chesapeake Bay watershed, including grants and assistance—

(1) to promote forest conservation and stewardship efforts in urban, suburban, and rural areas of the Chesapeake Bay watershed;

(2) to manage National Forest System land in the Chesapeake Bay watershed in a manner that protects water quality and sustains watershed health;

(3) to assist in developing and carrying out projects and partnerships in the Chesapeake Bay watershed;

(4) to conduct research, assessment, and planning activities to restore and protect forest land in the Chesapeake Bay watershed;

(5) to develop communication and education resources to enhance public understanding of the value of forests in the Chesapeake Bay watershed; and

(6) to contribute to the achievement of the goals of the Chesapeake Bay Agreement.

(b) OFFICE; COORDINATOR.—

(1) IN GENERAL.—The Secretary shall—

(A) maintain an office within the Forest Service to carry out the program; and

(B) designate an employee of the Forest Service as Coordinator of the program.

(2) DUTIES.—As part of the program, the Coordinator, in cooperation with the Secretary and the Chesapeake Bay Program, shall—

(A) provide grants and technical assistance to restore and protect forests in the Chesapeake Bay watershed;

(B) enter into partnerships to carry out forest restoration and conservation activities at a watershed scale using the resources and programs of the Forest Service;

(C) carry out activities, in collaboration with other units of the Forest Service, that contribute to the goals of the Chesapeake Bay Agreement;

(D) represent the Forest Service in deliberations of the Chesapeake Bay Program; and

(E) support and collaborate with the Forestry Work Group in planning and implementing program activities.

(c) ELIGIBLE ENTITIES.—To be eligible to receive assistance under the program, an entity shall be—

(1) a Chesapeake Bay State;

(2) a political subdivision of a Chesapeake Bay State;

(3) an organization operating in the Chesapeake Bay watershed that is described in section 501(c) of the Internal Revenue Code of 1986 and is exempt from taxation under section 501(a) of that Code; or

(4) any other person in the Chesapeake Bay watershed that the Secretary determines to be eligible.

(d) GRANTS.—

(1) IN GENERAL.—The Secretary shall make grants to eligible entities under the program to carry out projects to protect, restore, and manage forests in the Chesapeake Bay watershed.

(2) FEDERAL SHARE.—The Federal share of a grant made under the program shall not exceed 75 percent, as determined by the Secretary.

(3) TYPES OF PROJECTS.—The Secretary may make a grant to an eligible entity for any project in the Chesapeake Bay watershed that—

(A) improves habitat and water quality through the establishment, protection, or stewardship of riparian or wetland forests or stream corridors;

(B) builds the capacity of State and local organizations to implement forest conservation, restoration, and stewardship actions;

(C) develops and implements watershed management plans that—

(i) address forest conservation needs; and

(ii) reduce urban runoff;

(D) provides outreach and assistance to private landowners and communities to restore or conserve forests in the watershed;

(E) implements communication, education, or technology transfer programs that broaden public understanding of the value of trees and forests in sustaining and restoring the Chesapeake Bay watershed;

(F) coordinates and implements community-based watershed partnerships and initiatives that—

(i) focus on the restoration or protection of urban and rural forests; or

(ii) focus programs of the Forest Service on restoring or protecting watersheds;

(G) provides enhanced forest resource data to support watershed management;

(H) enhances upland forest health to reduce risks to watershed function and water quality; or

(I) conducts inventory assessment or monitoring activities to measure environmental change associated with projects carried out under the program.

(4) STATE WATERSHED FORESTERS.—Funds made available under section 6 may be used by a Chesapeake Bay State to employ a State watershed forester to carry out activities and coordinate watershed-level projects relating to the program.

(e) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the Council, shall conduct a study of urban and rural forests in the Chesapeake Bay watershed, including—

(A) an assessment of forest loss and fragmentation in the Chesapeake Bay watershed;

(B) an identification of forest land within the Chesapeake Bay watershed that should be restored or protected; and

(C) recommendations for expanded and targeted actions and programs that are needed to achieve the goals of the Chesapeake Bay Agreement.

(2) REPORT.—Not later than 1 year after amounts are first made available under section 6, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study.

SEC. 5. WATERSHED FORESTRY RESEARCH PROGRAM.

(a) IN GENERAL.—The Secretary, in cooperation with the Council, shall establish a watershed forestry research program for the Chesapeake Bay watershed.

(b) ADMINISTRATION.—In carrying out the watershed forestry research program established under subsection (a), the Secretary shall—

(1) use a combination of applied research, modeling, demonstration projects, implementation standards, strategies for adaptive management, training, and education to meet the needs of the residents of the Chesapeake Bay States for managing forests in urban, developing, and rural areas;

(2) solicit input from local managers and Federal, State, and private researchers, with respect to air and water quality, social and economic implications, environmental change, and other Chesapeake Bay watershed forestry issues in urban and rural areas; and

(3) collaborate with the Chesapeake Bay Program Scientific and Technical Advisory Committee and universities in the Chesapeake Bay States to—

(A) address issues in the Chesapeake Bay Agreement; and

(B) support modeling and informational needs of the Chesapeake Bay program.

(c) WATERSHED FORESTRY RESEARCH STRATEGY.—Not later than 1 year after the date of

enactment of this Act, the Secretary, in collaboration with the Northeast Forest Research Station and the Southern Forest Research Station, shall submit to Congress a strategy for research to address Chesapeake Bay watershed goals.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out the program $3,500,000 for each of fiscal years 2004 through 2010, of which—

(1) not more than $500,000 shall be used to conduct the study required under section 4(e); and

(2) not more than $1,000,000 for any fiscal year shall be used to carry out the watershed forestry research program under section 5.

SEC. 7. REPORT.

Not later than December 1, 2005, and annually thereafter, the Coordinator shall submit to the Secretary a comprehensive report on activities carried out under the program.

S. 831

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 ''NOAA Chesapeake Bay Watershed Education, Training, and Restoration Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) CENTER.—The term ''Center'' means the Coastal Prediction Center for the Chesapeake Bay established under paragraph (1) of section 3(a).

(2) CHESAPEAKE 2000 AGREEMENT.—The term ''Chesapeake 2000 agreement'' means the agreement between the United States, the States of Maryland, Pennsylvania, and Virginia, and the District of Columbia entered into on June 28, 2000.

(3) CHESAPEAKE EXECUTIVE COUNCIL.—The term ''Chesapeake Executive Council'' has the meaning given that term in subsection (d) of section 307 of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (15 U.S.C. 1511d).

(4) DIRECTOR.—The term ''Director'' means the Director of the Chesapeake Bay Office appointed under paragraph (2) of section 307(a) of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (15 U.S.C. 1511d).

(5) ELIGIBLE ENTITY.—The term ''eligible entity'' means a State government, an institution of higher education, including a community college, a not-for-profit organization, or an appropriate private entity.

(6) CHESAPEAKE BAY OFFICE.—The term ''Chesapeake Bay Office'' means the Chesapeake Bay Office within the National Oceanic and Atmospheric Administration established under paragraph (1) of section 307(a) of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (15 U.S.C. 1511d).

SEC. 3. COASTAL PREDICTION CENTER.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Director, in collaboration with scientific institutions located in the Chesapeake Bay watershed, shall establish a Coastal Prediction Center for the Chesapeake Bay.

(2) PURPOSES.—The purposes of the Center established under paragraph (1) are to serve as a knowledge bank for—

(A) assembling, integrating, and modeling coastal information and data related to the Chesapeake Bay and the tributaries of the Chesapeake Bay from appropriate government agencies and scientific institutions;

(B) interpreting such information and data; and

(C) organizing such information and data into predictive products that are useful to policy makers, resource managers, scientists, and the public.

(b) ACTIVITIES.—

(1) INFORMATION AND PREDICTION SYSTEM.—The Center shall develop an Internet-based information system for integrating, interpreting, and disseminating coastal information and predictions concerning the Chesapeake Bay and the tributaries of the Chesapeake Bay related to—

(A) climate;

(B) land use;

(C) coastal pollution;

(D) coastal environmental quality;

(E) ecosystem health and performance;

(F) aquatic living resources and habitat conditions; and

(G) weather, tides, currents, and circulation that affect the distribution of sediments, nutrients, and organisms, coastline erosion, and related physical and chemical events.

(2) AGREEMENTS TO PROVIDE DATA, INFORMATION, AND SUPPORT.—The Director may enter into agreements with other entities of the National Oceanic and Atmospheric Administration, other appropriate Federal, State, and local government agencies, and academic institutions, to provide and interpret data and information, and provide appropriate support, relating to the activities of the Center.

(3) AGREEMENTS RELATING TO INFORMATION PRODUCTS.—The Director may enter into grants, contracts, and interagency agreements with eligible entities for the collection, processing, analysis, interpretation, and electronic publication of information products for the Center.

SEC. 4. CHESAPEAKE BAY WATERSHED EDUCATION AND TRAINING PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Director, in cooperation with the Chesapeake Executive Council, shall establish a Chesapeake Bay watershed education and training program.

(2) PURPOSES.—The program established under paragraph (1) shall continue and expand the Chesapeake Bay watershed education programs offered by the Chesapeake Bay Office for the purposes of—

(A) improving the understanding of elementary and secondary school students and teachers of the living resources of the ecosystem of the Chesapeake Bay; and

(B) meeting the educational goals of the Chesapeake 2000 agreement.

(b) GRANT PROGRAM.—

(1) AUTHORIZATION.—The Director is authorized to award grants to pay the Federal share of the cost of a project described in paragraph (3)—

(A) to a not-for-profit institution;

(B) to a consortia of not-for-profit institutions;

(C) to an elementary or secondary school located within the Chesapeake Bay watershed;

(D) to a teacher at a school described in subparagraph (C); or

(E) a State Department of Education if any part of such State is within the Chesapeake Bay watershed.

(2) CRITERIA.—The Director is authorized to award grants under this section based on the experience of the applicant in providing environmental education and training projects regarding the Chesapeake Bay watershed to a range of participants and in a range of settings.

(3) FUNCTIONS AND ACTIVITIES.—Grants awarded under this section may be used to support education and training projects that—

(A) provide classroom education, including the use of distance learning technologies, on the issues, science, and problems of the living resources of the Chesapeake Bay watershed;

(B) provide meaningful outdoor experience on the Chesapeake Bay, or on a stream or in a local watershed of the Chesapeake Bay, in the design and implementation of field studies, monitoring and assessments, or restoration techniques for living resources;

(C) provide professional development for teachers related to the science of the Chesapeake Bay watershed and the dissemination of pertinent education materials oriented to varying grade levels;

(D) demonstrate or disseminate environmental educational tools and materials related to the Chesapeake Bay watershed;

(E) demonstrate field methods, practices, and techniques including assessment of environmental and ecological conditions and analysis of environmental problems; and

(F) develop or disseminate projects designed to—

(i) enhance understanding and assessment of a specific environmental problem in the Chesapeake Bay watershed or of a goal of the Chesapeake Bay Program; or

(ii) protect or restore living resources of the Chesapeake Bay watershed.

(4) FEDERAL SHARE.—The Federal share of the cost of a project authorized under paragraph (1) shall not exceed 75 percent of the total cost of that project.

(c) REPORT.—Not later than December 31, 2006, the Director, in consultation with the Chesapeake Executive Council, shall submit to Congress a report through the Administrator of National Oceanic and Atmospheric Administration regarding the program established under subsection (a) and, on the appropriate role of Federal, State, and local governments in continuing such program.

SEC. 5. STOCK ENHANCEMENT AND HABITAT RESTORATION PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Director, in cooperation with the Chesapeake Executive Council, shall establish a Chesapeake Bay watershed stock enhancement and habitat restoration program.

(2) PURPOSES.—The purposes of the program established in paragraph (1) are to support the restoration of oysters and submerged aquatic vegetation in the Chesapeake Bay and enhance education programs related to aquaculture.

(b) ACTIVITIES.—To carry out the purpose of the program established in paragraph (1) of subsection (a), the Director is authorized to enter into grants, contracts, and cooperative agreements with an eligible entity to support—

(1) the establishment of oyster hatcheries;

(2) the establishment of submerged aquatic vegetation propagation programs;

(3) the development of education programs related to aquaculture; and

(4) other activities that the Director determines are appropriate to carry out the purposes of such program.

SEC. 6. CHESAPEAKE BAY AQUACULTURE EDUCATION.

The Director is authorized to make grants and enter into contracts with an institution of higher education, including a community college, for the purpose of—

(1) supporting education in Chesapeake Bay aquaculture sciences and technologies; and

(2) developing aquaculture processes and technologies to improve production, efficiency, and sustainability of disease free oyster spat and submerged aquatic vegetation.

SEC. 7. SHALLOW WATER MONITORING PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Director, in cooperation with the Chesapeake Executive Council and scientific institutions located in the Chesapeake Bay watershed, shall establish a program to monitor shallow water throughout the Chesapeake Bay.

(2) PURPOSE.—The purpose of the program established in paragraph (1) shall be to provide data on water quality conditions necessary for restoration of living resources in near-shore and tidal tributary areas of the Chesapeake Bay.

(b) ACTIVITIES.—To carry out the purpose of the program established in paragraph (1) of subsection (a), the Director is authorized to carry out, or enter into grants, contracts, and cooperative agreements with an eligible entity to carry out activities—

(1) to collect, analyze, and disseminate scientific information necessary for the management of living marine resources and the marine habitat associated with such resources;

(2) to interpret the information described in paragraph (1);

(3) to organize the information described in paragraph (1) into products that are useful to policy makers, resource managers, scientists, and the public; or

(4) that will otherwise further the purpose of such program.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) CHESAPEAKE BAY OFFICE.—Subsection (e) of section 307 of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (15 U.S.C. 1511d) is amended—

(1) by striking ''$6,000,000'' and inserting ''$8,000,000''; and

(2) by striking ''2006'' and inserting ''2008''.

(b) PROGRAMS.—There is authorized to be appropriated the following amounts to carry out the provisions of this Act:

(1) $500,000 for each of the fiscal years 2004 through 2008 to carry out the provisions of section 3.

(2) $6,000,000 for each of the fiscal years 2004 through 2008 to carry out the provisions of section 4.

(3) $7,000,000 for each of the fiscal years 2004 through 2008 to carry out the provisions of section 5.

(4) $1,000,000 for each of the fiscal years 2004 through 2008 to carry out the provisions of section 6.

(5) $3,000,000 for each of the fiscal years 2004 through 2008 to carry out the provisions of section 7.

CHESAPEAKE BAY FOUNDATION,
Annapolis, MD, April 8, 2003.

Hon. PAUL SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: We would like to express our deepest appreciation for your continued leadership on behalf of the Chesapeake Bay. Your proposed legislation for the 108th Congress will provide essential new resources and policy direction for top Chesapeake priorities, consistent with the ambitious goals of the 2000 Chesapeake Bay Agreement. We pledge our support for the legislation, and we stand ready to help you in any way possible to secure enactment.

We are particularly pleased with your proposed Chesapeake Bay Watershed Nutrient Removal Assistance Act, which will significantly help reduce nitrogen pollution by providing first-time federal assistance to local communities for improving sewage treatment throughout the watershed. The bill will provide $660 million over five years, and more than 300 major sewage treatment plants will be eligible to participate in the new federal program. Importantly, the legislation will limit assistance to only those treatment plants willing to install state-of-the-art pollution controls, which is precisely consistent with the scientific conclusions of the Chesapeake Bay Program.

Your other Chesapeake initiatives will strengthen environmental education, improve forestry management, and enhance the work of the Army Corps of Engineers. Together, these bills will authorize significant new federal financial support for the Chesapeake Bay Program.

This year marks the 20th anniversary of the modern Chesapeake Bay Program. While we have made significant progress in the past two decades, Chesapeake scientists now believe we must redouble our efforts if we are to succeed in the goals that we all share. Your legislation will provide new direction and federal resources to the Chesapeake at a key time.

We thank you for your continued leadership on behalf of the Chesapeake Bay.

Sincerely,

ROBERT M. FERRIS,
Vice President,
Environmental Protection and Restoration.

CHESAPEAKE BAY COMMISSION,
Annapolis, MD, April 9, 2003.

Hon. PAUL S. SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: Federal funding has played a crucial role in supporting the Chesapeake Bay restoration. Thanks in large part to your efforts, federal funds have supported nearly one-fifth of the projects currently underway.

However, in signing Chesapeake 2000, the signatories (both state and federal) vowed to substantially enhance their efforts to reduce nutrient pollution and restore the Bay's fisheries. With science driving these decisions, the expenditure of some $18.7 billion dollars will be required to restore the Bay to its former health and abundance. A commitment of this size will require the substantial involvement of all partners, including the federal, state, and local governments and the private sector.

With this financial need solidly in focus, we are writing to convey our unanimous, tri-state support for your Chesapeake Bay legislative package. Together, these five bills promote the kinds of enhanced funding and technical assistance called for in Cheasapeake 2000 (C2K). We hope that the 108th Congress will join us in our support of:

1. The Chesapeake Bay Watershed Nutrient Removal Act;

2. The reauthorization and improvement of The Chesapeake Bay Environmental Restoration and Protection Program of WRDA.

3. The Chesapeake Bay Environmental Education Pilot Program Act;

4. The Chesapeake Bay Watershed Forestry Act; and

5. NOAA Chesapeake Bay Watershed Education, Training and Restoration Act.

The Chesapeake Bay Watershed Nutrient Removal Assistance Act is of keen interest to this Commission. As a signatory to C2K, we have committed to reducing the Bay's nitrogen loads by 110 million pounds. Translated, this goal represents a doubling of the load reductions achieved since 1983. If accomplished, it will restore the Bay waters to conditions that are clean, clear and productive.

The Act provides grants to upgrade the major wasterwater treatment plants (WWTP) in our six-state watershed with nutrient removal technologies. It will allow the region to demonstrate that state-of-the-art nutrient removal is possible on a large scale. It will single-handedly result in the removal of 41 million pounds of nitrogen, or 40 percent of the total nitrogen reduction needed. Only the federal government is in the position to trigger such remarkable reductions. It is an opportunity that should not and cannot be ignored.

In addition to the removal of nitrogen loads from our WWIPs, The Chesapeake Bay Watershed Forestry Act will help to control pollution running off the land. Forests and riparian buffers play a critical role in filtering and absorbing sediment and nutrient runoff, while providing valuable habitat for animals and birds and food and shelter for fish. Enhanced support for the Bay Program Forest Service will ramp up its provision of interstate coordination, technical assistance, and forest assessment and planning services that are otherwise limited or unavailable in our region.

Finally, let us emphasize the important support for education that this package provides. Sustaining hard won progress in the restoration of the Chesapeake Bay will ultimately rest in the hands of citizens and their communities. Sustainability, then, rests in our ability to provide ample education and opportunity for community involvement. This effort to supply financial and technical support is provided by the The Chesapeake Bay Environmental Education Pilot Program Act and the NOAA Chesapeake Bay Watershed Education, Training and Restoration Act. Education and community engagement are two activities of C2K that are woefully underfunded. The monies provided by these two acts will substantially improve our ability to keep our commitments on track and reach our stated goals.

Since the Bay Program's inception the federal government has been a strong partner, providing approximately 18 percent of the funds needed. For the federal government to maintain its level of support in the face of rising costs to attain our C2K objectives, it will need to triple its investment. Your five-bill package puts the federal government soundly on this track. As a Bay-region leader, you are to be commended. Please instruct us as to how we can further support these measures.

Sincerely,

Delegate ROBERT S. BLOXOM,
Chairman.

By Mr. GRASSLEY:

S. 832. A bill to provide that bonuses and other extraordinary or excessive compensation of corporate insiders and wrongdoers may be included in the bankruptcy estate; to the Committee on the Judiciary.

Mr. GRASSLEY. Mr. President, I rise today to introduce the ''Corporate Accountability in Bankruptcy Act.'' This bill would clarify that the bonuses and other excessive compensation of corporate directors and wrongdoers can be brought back into a bankruptcy estate when a company goes bankrupt. It is only fair that corporate officers and employees who have engaged in wrongdoing and violated the securities and accounting laws should not be able to make money off of a company which has gone bankrupt, while company employees, shareholders and creditors are left carrying the burden of the bankruptcy. Moreover, corporate officers and insiders should not be allowed to keep their bonuses and loans when a company has done so poorly to go bankrupt.

Currently, the Bankruptcy Code permits a trustee to recover assets which a debtor has previously distributed to

creditors within a certain time period prior to the filing of a bankruptcy petition. This allows a trustee to increase a debtor's assets for the fair treatment and equitable distribution of assets among all creditors, as well as to help shore up a debtor's assets during a reorganization.

Section 547 of the Bankruptcy Code currently allows a trustee to recover assets from an insider made within a year of the filing of a bankruptcy petition. Section 548 of the Bankruptcy Code allows a trustee to recover transfers of assets, made within one year, where there has been a fraudulent transaction or where a debtor has received less than what is reasonably equivalent in value. However, the Bankruptcy Code is not clear as to whether these sections would include the bonuses and other extraordinary or excessive compensation of officers, directors or other company employees. That needs to change.

The Corporate Accountability in Bankruptcy Act clarifies section 547 of the Bankruptcy Code to provide that a trustee may recover bonuses, loans, nonqualified deferred compensation, and any other extraordinary or excessive compensation as determined by the court, made to an insider, officer or director and made within one year before the date of the filing of the bankruptcy petition.

In addition, the bill amends section 548 of the Bankruptcy Code to provide that a trustee may recover bonuses, loans, nonqualified deferred compensation, and any other extraordinary or excessive compensation, as determined by the court, paid to an officer, director or employee who has committed securities or accounting violations, within 4 years of the filing of the bankruptcy petition. The reason that the bill extends the present one year reach-back period for fraudulent transfers to four years is because a majority of States have adopted a four year time period or the Uniform Fraudulent Transfer Act, (which allows for 4 years).

The plain fact is that corporate officers and employees who have violated the law, as well as corporate officials who have not done a good job in managing a company, should not be allowed to benefit where their actions have contributed to the downfall of the company. Corporate mismanagement and irresponsibility should not be rewarded, and the bad guys need to be held accountable. The changes to the Bankruptcy Code contained in this bill are tied to excessiveness and wrongdoing and are fair. We need to do something about bringing more accountability and fairness to the system, and the Corporate Accountability in Bankruptcy Act does that.

By Mr. ALLARD:

S. 833. A bill to increase the penalties to be imposed for a violation of fire regulations applicable to the public lands, National Parks System lands, or National Forest System lands when the violation results in damage to public or private property, to specify the purpose for which collected fines may be used, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ALLARD. Mr. President, I ask unanimous consent that the Public Lands Fire Regulations Enforcement Act of 2003, a bill that I am introducing, be printed in the RECORD.

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

S. 833

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Public Lands Fire Regulations Enforcement Act of 2003''.

SEC. 2. PENALTIES FOR VIOLATION OF PUBLIC LAND FIRE REGULATIONS RESULTING IN PROPERTY DAMAGE.

(a) INCREASED PENALTIES ON INTERIOR LANDS.—Notwithstanding section 303(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1733(a)) or section 3 of the Act of August 25, 1916 (16 U.S.C. 3), a violation of the rules regulating the use of fire by visitors and other users of lands administered by the Bureau of Land Management or National Park System lands shall be punished by a fine of not less than $1,000 or imprisonment for not more than one year, or both, if the violation results in damage to public or private property.

(b) INCREASED PENALTIES ON NATIONAL FOREST SYSTEM LANDS.—Notwithstanding the eleventh undesignated paragraph under the heading ''SURVEYING THE PUBLIC LANDS'' of the Act of June 4, 1897 (16 U.S.C. 551), a violation of the rules regulating the use of fire by visitors and other users of National Forest System lands shall be punished by a fine of not less than $1,000 or imprisonment for not more than one year, or both, if the violation results in damage to public or private property.

(c) RELATION TO OTHER SENTENCE OF FINE AUTHORITY.—The maximum fine amount specified in subsections (a) and (b) applies in lieu of the fine otherwise applicable under section 3571 of title 18, United States Code.

(d) USE OF COLLECTED FINES.—Any moneys received by the United States as a result of a fine imposed for a violation of fire rules applicable to lands administered by the Bureau of Land Management, National Park System lands, or National Forest System lands shall be available to the Secretary of the Interior or the Secretary of Agriculture, as the case may be, without further appropriation and until expended, for the following purposes:

(1) To cover the cost to the United States of any improvement, protection, or rehabilitation work rendered necessary by the action that resulted in the fine.

(2) To reimburse the affected agency for the cost of the response to the action that resulted in the fine, including investigations, damage assessments, and legal actions.

(3) To increase public awareness of rules, regulations, and other requirements regarding the use of fire on public lands.

By Ms. LANDRIEU:

S. 834. A bill for the relief of Tanya Andrea Goudeau; to the Committee on the Judiciary.

Ms. LANDRIEU. Mr. President, I rise today to offer a private bill on behalf of Tanya Andrea Goudeau and her family to grant Tanya immediate relative status. The Goudeaus adopted Tanya in 2001, but due to misinformation and an undue delay in the adoption process, the adoption was not completed until a week after Tanya's 16th birthday. As a result, Tanya was no longer considered a child under the law and therefore was not eligible to receive permanent resident status. Currently, Tanya faces deportation to Sri Lanka where she no longer has a family to care for her. What is more, she is now legally a part of the Goudeau family. Tanya is the Goudeau's daughter and they are her parents.

Tanya Goudeau was born to Mrs. Goudeau's sister in 1984 in Sri Lanka. During a visit with the Goudeaus in 1999 at their home in Baker, LA, Tanya's mother announced that she was moving and that she did not want any further contact with her daughter. Tanya's father had walked out on the family 11 years earlier and could not be located. The Goudeaus realized that Tanya had no family to return to and they decided to adopt her. They could not bear to send their niece back to her native home where she would be on her own at age 14. Without any children of their own, they lovingly took Tanya into their family and have lovingly cared for her for the past 4 years.

Tanya has overcome her mother's and father's abandonment and after a period of adjustment, she has grown to love her new home. She is currently a senior in high school with aspirations to earn an advanced medical degree. Without the passage of this private bill, Tanya could face deportation to Sir Lanka at a time when she should be focused on her college degree with the support of her parents. The Goudeaus' situation is an unintended consequence of the requirement to complete the adoption process before a child's sixteenth birthday. We need to grant Tanya immediate relative status to allow the Goudeaus to remain a family.

By Ms. LANDRIEU:

S. 835. A bill to amend the Higher Education Act of 1965 to provide student loan borrowers with a choice of lender for loan consolidation, to provide notice regarding loan consolidation, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Ms. LANDRIEU. Mr. President, throughout the next month, hundreds of thousands of high school seniors across this Nation will open up their mailboxes and receive acceptance letters for college. They will begin planning where they will live and what they will study for the next 2 or 4 years. These students will dream big and have grand ideas about what college will mean for them, but before they can officially enroll, they will be slapped in the face with a very real question: how are they going to pay for it?

Attending an institution of higher education can be expensive. According to the National Center for Higher Education, the cost of attending two or four year, public and private colleges has increased faster than both inflation and family income. In 2000, families in the lowest quartile of the income bracket spent as much as 25 percent of their annual income to send their children to a public, four year college, compared with only 13 percent in 1980. At the same time, though, sources of federal assistance are diminishing. The Federal Pell Grant program, which was designed to help alleviate the financial burden on low income families, covered only 57 percent of the cost of tuition at public, four year colleges in 1999, whereas Pell Grants covered 98 percent of the costs in 1986.

As the cost of college increases and the impact of Federal grants decreases, school loans have become a gateway to attending college for the majority of students. However, because of a provision in the 1998 re-authorization of the Higher Education Act, entitled the ''Single Lender Rule,'' students who have all of their student loans from a single lender are barred from getting a lower rate by consolidating their loans with a different lender. The financial benefits for the consumer by using a different lender for loan consolidation are easily seen in other areas of finance, such as homeowners refinancing their mortgage. What appears to me to be an arbitrarily contrived limitation that protects lenders more than students has prevented college graduates from consolidating their multiple student loans into a single, new loan, thus driving up the cost of attending college.

Having a college degree is fast becoming a necessary pre-requisite to long-term success. That is why I rise today to introduce to my colleagues the ''Consolidation Student Loan Flexibility Act of 2003.'' This bill would repeal the Single Lender rule, and knock down this arbitrarily contrived barrier that hinders students from gaining access to higher education.

Some of my colleagues may be asking, why now? Why not wait to repeal the Single Lender rule when we readdress the Higher Education Act? As the close of this school year fast approaches, and high school graduates begin making important decisions about their educational future, we cannot put off the repeal of the Single Lender rule. The effects of maintaining the Single Lender rule are devastating. In 2001, 143,504 students were forced to pay higher rates on their student loans because the Single Lender rule denied them benefits of loan consolidation. Over 3,300 of these students were from my home State of Louisiana. We cannot force another class of college students to pay more for college than necessary. Studies have shown that a major factor influencing a student's choice of college and degree program is the amount of debt connected with the type of institution of profession. These choices greatly impact not only the lives of the students themselves, but also society as a whole. At a time when our society is in dire need of nurses, teachers, and many other professions, we must not frighten students away from college for fear of substantial debt burdens after their graduation.

The greatest investment we can make in our future is in the education of our children. Today, with the changing world, educating our children includes assisting those who desire to obtain a college degree. By not repealing the Single Lender rule, we will be continuing to drive up the cost of college, thus impeding access, especially for lower-income students. According to the Census Bureau, the income gap between people receiving a bachelor's degree and people receiving only a high school diploma has increased from 57 percent in 1975, to 76 percent in 2002. By financially hindering the entrance into college, we will be adding to this income gap, which only further hurts our already recessed economy.

The Consolidation Student Loan Flexibility Act is an important first step to making college more affordable for all American families. I hope and urge my colleagues to join me in making the dream of a college education a reality for all.

By Mr. ROCKEFELLER:

S. 836. A bill to amend title 38, United States Code, to extend by five years the period for the provision by the Secretary of Veterans Affairs of noninstitutional extended care services and required nursing home care; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Mr. President, today I rise to reintroduce a bill that is enormously important to veterans in my State of West Virginia and to all veterans across this great Nation. The bill I am reintroducing will extend VA's ability to provide long-term care under two specific authorities of the Veterans Millennium Health Care and Benefits Act of 1999.

In November of 1999, Congress passed comprehensive long-term care legislation that required VA for the first time to provide extended care services to enrolled veterans. Section 101 of Public Law 106–117 directed VA to provide nursing home care to any veteran who is in need of such care for a service-connected condition, or who is 70 percent or more service-connected disabled. In addition, VA was to have provided non-institutional care, such as respite care, adult day care, home-based primary care, homemaker/home health aide and skilled home health care to all enrolled veterans. Without extension, both authorities will expire in December, 2003.

Long-term care for veterans has been, and remains, a priority for me. And the extension of these services is critically important to veterans and their families in every State across this country.

Prior to the passage of the Millennium Health Care Bill, when families in West Virginia were told by VA that the long-term care services they needed were not available to them, they would turn to me in despair. I still frequently hear from families of aging, sick veterans who want desperately to keep their husbands, fathers or brothers at home, but in order to do that they need help.

Many of our aging veterans are suffering from debilitating diseases, such as Alzheimer's or Parkinson's, or a stroke. A large number of these veterans are WW II combat veterans, whose wives are lovingly caring for them at home with very limited resources. The noninstitutional long-term care services currently available within VA provide an array of care that can be a lifesaver for the dedicated care givers of critically ill veterans, and allow these veterans to remain at home.

While the purpose of this bill is clear, let me explain the reason it is so necessary. Within three years of the enactment of Public Law 106–117, VA was to evaluate and report to the House and Senate Committees on Veterans' Affairs on its experience in providing services under both the nursing home care and non-institutional care provisions, and to make recommendations on extending or making permanent these provisions. These programs were given an expiration date of four years.

But unfortunately, very little has happened with these long-term care programs. It was not until October, 2001, that VA addressed the requirements of the law by issuing a directive on such noninstitutional long-term care services as respite and adult day care. And even now, we find that how these services are being provided, if at all, varies widely throughout the VA health care system. The delay in implementing these programs will greatly impede our ability to adequately study their effects.

Additionally, in September, 2001, two years after Congress passed the Millennium Health Care and Benefits Act of 1999, I asked the General Accounting Office to identify the long-term care services that are available at each of VA's medical centers, and the standards and criteria used by VA to determine which veterans may receive these services.

GAO is expected to release their final report on VA long-term care by May 1, but their preliminary report confirms that VA has not made much progress in implementing noninstitutional long-term care services for veterans.

Therefore, I believe it is critical that both long-term care authorities, due to expire in December of this year, be extended for an additional five years, until December 31, 2008, so that we can be properly evaluate the services and, if need be, make appropriate adjustments.

By Mr. BROWNBACK (for himself, Mr. MILLER, Mr. ALEXANDER, Mr. ALLARD, Mr. ALLEN, Mr. CORNYN, Mr. ENSIGN, Mr. ENZI, Mr. FITZGERALD, Mr. GRAHAM of South Carolina, Mr. INHOFE, Mr. SANTORUM, Mr. THOMAS, and Mr. BUNNING):

S. 837. A bill to establish a commission to conduct a comprehensive review of Federal agencies and programs and to recommend the elimination or realignment of duplicative, wasteful, or outdated functions, and for other purposes; to the Committee on Governmental Affairs.

Mr. BROWNBACK. Mr. President, I rise today to introduce the bipartisan Commission on the Accountability and Review of Federal Agencies, CARFA, Act.

We need accountability in Federal spending. With our Nation at war and with a recovering economy, the Congress needs to take concrete steps to ensure that hard-earned taxpayer dollars are being efficiently used by the Federal Government.

Indeed, few things are more upsetting to my Kansas constituents than to see wasteful Federal spending. Kansans often say to me: ''I do not mind paying my taxes, but it is infuriating to see my hard-earned money being poorly spent by the Federal Government. If I am going to work hard to earn this money, I want it spent wisely.'' These are real concerns that need to be addressed.

The bipartisan legislation that I introduce today with 13 original cosponsors would help to provide accountability to Federal spending by establishing a commission to review Federal domestic agencies and programs within agencies.

The Senate is already on record strongly supporting this concept through an amendment that I offered to the Senate Budget Resolution. On March 21, the Senate passed S.A. 282 to the budget resolution by a voice vote. S.A. 282 briefly describes the CARFA Act, expressing the sense of the Senate that a commission should be established to review Federal domestic agencies and programs within agencies, and that the commission should submit to Congress: (1) recommendations to realign or eliminate wasteful agencies and programs within agencies; and (2) legislation to implement its recommendations.

The CARFA Act is modeled on successful commissions of the past. If enacted, the 12-member presidentially appointed commission would conduct a 2-year review of Federal domestic agencies and programs within agencies, using a narrow set of criteria in its review.

Upon completion of its evaluation, the commission would submit to Congress both its recommendations of agencies and programs that should be realigned or eliminated, and proposed legislation to implement its recommendations. As with successful commissions of the past, the Congress would consider this legislation on an expedited basis with a comment period from the committees of jurisdiction. Within the expedited timeframe, the Congress would take an up-or-down vote on the legislation as a whole without amendment.

I urge my colleagues to support and pass this important piece of legislation.

By Mr. REID (for himself, Mr. BENNETT, Mr. ENSIGN, and Mr. HATCH):

S. 840. A bill to establish the Great Basin National Heritage Route in the States of Nevada and Utah; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, I rise today for myself, Senator ENSIGN, Senator HATCH, and Senator BENNETT to introduce this bill, which will establish a National Heritage Route in eastern Nevada and western Utah.

National Heritage areas, corridors, and routes are regions in which residents and businesses, as well as local and tribal governments join together in partnership to conserve and celebrate cultural heritage and special landscapes. The Great Basin National Heritage Route includes historic mining camps and ghost towns, Mormon and other pioneer settlements, as well as Native American communities. The Route passes through classic Great Basin country along the trails of the Pony Express and the Overland Stage. Cultural resources within the route include Native American archaeological sites dating back to the Fremont Culture.

Our bill will also help highlight some of the Great Basin's natural wonders. Passing through Millard County, Utah, and parts of the Duckwater Reservation and White Pine County in Nevada, the Route contains items of great biological and geological interest. In Nevada, it encompasses forests of bristlecone pine, the oldest living things on the earth. In Utah, the Route includes native Bonneville cutthroat trout as well as other distinctive species and ecological communities.

Designation of the corridor as a Heritage Route will ensure the protection of key educational and recreational opportunities in perpetuity without compromising traditional local use of the land. The Great Basin National Heritage Route will provide a framework for celebrating Nevada's and Utah's rich historic, archeological, cultural, and natural resources for both visitors and residents.

The bill will establish a board of directors consisting of local officials from both counties and tribes to manage the area designated by the route. The board will develop a management plan within 3 years of the bill's passage, and the Secretary of the Interior will enter into a memorandum of understanding with the Board of Directors for the management of the resources of the heritage route. Our legislation also authorizes up to $10 million to carry out the Act but limits Federal funding to no more then 50 percent of the project's cost. The bill allows the Secretary to provide assistance for 15 years after the bill is enacted.

Our bill benefits not just the people of Nevada and Utah, but citizens of all States. It highlights an area of outstanding cultural and natural value and brings people together to celebrate values that they can be proud of. 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. 840

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 ''Great Basin National Heritage Route Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the natural, cultural, and historic heritage of the North American Great Basin is nationally significant;

(2) communities along the Great Basin Heritage Route (including the towns of Delta, Utah, Ely, Nevada, and the surrounding communities) are located in a classic western landscape that contains long natural vistas, isolated high desert valleys, mountain ranges, ranches, mines, historic railroads, archaeological sites, and tribal communities;

(3) the Native American, pioneer, ranching, mining, timber, and railroad heritages associated with the Great Basin Heritage Route include the social history and living cultural traditions of a rich diversity of nationalities;

(4) the pioneer, Mormon, and other religious settlements, and ranching, timber, and mining activities of the region played and continue to play a significant role in the development of the United States, shaped by—

(A) the unique geography of the Great Basin;

(B) an influx of people of Greek, Chinese, Basque, Serb, Croat, Italian, and Hispanic descent; and

(C) a Native American presence (Western Shoshone, Northern and Southern Paiute, and Goshute) that continues in the Great Basin today;

(5) the Great Basin housed internment camps for Japanese-American citizens during World War II, 1 of which, Topaz, was located along the Heritage Route;

(6) the pioneer heritage of the Heritage Route includes the Pony Express route and stations, the Overland Stage, and many examples of 19th century exploration of the western United States;

(7) the Native American heritage of the Heritage Route dates back thousands of years and includes—

(A) archaeological sites;

(B) petroglyphs and pictographs;

(C) the westernmost village of the Fremont culture; and

(D) communities of Western Shoshone, Paiute, and Goshute tribes;

(8) the Heritage Route contains multiple biologically diverse ecological communities that are home to exceptional species such as—

(A) bristlecone pines, the oldest living trees in the world;

(B) wildlife adapted to harsh desert conditions;

(C) unique plant communities, lakes, and streams; and

(D) native Bonneville cutthroat trout;

(9) the air and water quality of the Heritage Route is among the best in the United States, and the clear air permits outstanding viewing of the night skies;

(10) the Heritage Route includes unique and outstanding geologic features such as numerous limestone caves, classic basin and range topography with playa lakes, alluvial fans, volcanics, cold and hot springs, and recognizable features of ancient Lake Bonneville;

(11) the Heritage Route includes an unusual variety of open space and recreational and educational opportunities because of the great quantity of ranching activity and public land (including city, county, and State parks, national forests, Bureau of Land Management land, and a national park);

(12) there are significant archaeological, historical, cultural, natural, scenic, and recreational resources in the Great Basin to merit the involvement of the Federal Government in the development, in cooperation with the Great Basin Heritage Route Partnership and other local and governmental entities, of programs and projects to—

(A) adequately conserve, protect, and interpret the heritage of the Great Basin for present and future generations; and

(B) provide opportunities in the Great Basin for education; and

(13) the Great Basin Heritage Route Partnership shall serve as the management entity for a Heritage Route established in the Great Basin.

(b) PURPOSES.—The purposes of this Act are—

(1) to foster a close working relationship with all levels of government, the private sector, and the local communities within White Pine County, Nevada, Millard County, Utah, and the Duckwater Shoshone Reservation;

(2) to enable communities referred to in paragraph (1) to conserve their heritage while continuing to develop economic opportunities; and

(3) to conserve, interpret, and develop the archaeological, historical, cultural, natural, scenic, and recreational resources related to the unique ranching, industrial, and cultural heritage of the Great Basin, in a manner that promotes multiple uses permitted as of the date of enactment of this Act, without managing or regulating land use.

SEC. 3. DEFINITIONS.

In this Act:

(1) GREAT BASIN.—The term ''Great Basin'' means the North American Great Basin.

(2) HERITAGE ROUTE.—The term ''Heritage Route'' means the Great Basin National Heritage Route established by section 4(a).

(3) MANAGEMENT ENTITY.—The term ''management entity'' means the Great Basin Heritage Route Partnership established by section 4(c).

(4) MANAGEMENT PLAN.—The term ''management plan'' means the plan developed by the management entity under section 6(a).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the National Park Service.

SEC. 4. GREAT BASIN NATIONAL HERITAGE ROUTE.

(a) ESTABLISHMENT.—There is established the Great Basin National Heritage Route to provide the public with access to certain historical, cultural, natural, scenic, and recreational resources in White Pine County, Nevada, Millard County, Utah, and the Duckwater Shoshone Reservation in the State of Nevada, as designated by the management entity.

(b) BOUNDARIES.—The management entity shall determine the specific boundaries of the Heritage Route.

(c) MANAGEMENT ENTITY.—

(1) IN GENERAL.—The Great Basin Heritage Route Partnership shall serve as the management entity for the Heritage Route.

(2) BOARD OF DIRECTORS.—The Great Basin Heritage Route Partnership shall be governed by a board of directors that consists of—

(A) 4 members who are appointed by the Board of County Commissioners for Millard County, Utah;

(B) 4 members who are appointed by the Board of County Commissioners for White Pine County, Nevada; and

(C) a representative appointed by each Native American Tribe participating in the Heritage Route.

SEC. 5. MEMORANDUM OF UNDERSTANDING.

(a) IN GENERAL.—In carrying out this Act, the Secretary, in consultation with the Governors of the States of Nevada and Utah and the tribal government of each Indian tribe participating in the Heritage Route, shall enter into a memorandum of understanding with the management entity.

(b) INCLUSIONS.—The memorandum of understanding shall include information relating to the objectives and management of the Heritage Route, including—

(1) a description of the resources of the Heritage Route;

(2) a discussion of the goals and objectives of the Heritage Route, including—

(A) an explanation of the proposed approach to conservation, development, and interpretation; and

(B) a general outline of the anticipated protection and development measures;

(3) a description of the management entity;

(4) a list and statement of the financial commitment of the initial partners to be involved in developing and implementing the management plan; and

(5) a description of the role of the States of Nevada and Utah in the management of the Heritage Route.

(c) ADDITIONAL REQUIREMENTS.—In developing the terms of the memorandum of understanding, the Secretary and the management entity shall—

(1) provide opportunities for local participation; and

(2) include terms that ensure, to the maximum extent practicable, timely implementation of all aspects of the memorandum of understanding.

(d) AMENDMENTS.—

(1) IN GENERAL.—The Secretary shall review any amendments of the memorandum of understanding proposed by the management entity or the Governor of the State of Nevada or Utah.

(2) USE OF FUNDS.—Funds made available under this Act shall not be expended to implement a change made by a proposed amendment described in paragraph (1) until the Secretary approves the amendment.

SEC. 6. MANAGEMENT PLAN.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the management entity shall develop and submit to the Secretary for approval a management plan for the Heritage Route that—

(1) specifies—

(A) any resources designated by the management entity under section 4(a); and

(B) the specific boundaries of the Heritage Route, as determined under section 4(b); and

(2) presents clear and comprehensive recommendations for the conservation, funding, management, and development of the Heritage Route.

(b) CONSIDERATIONS.—In developing the management plan, the management entity shall—

(1) provide for the participation of local residents, public agencies, and private organizations located within the counties of Millard County, Utah, White Pine County, Nevada, and the Duckwater Shoshone Reservation in the protection and development of resources of the Heritage Route, taking into consideration State, tribal, county, and local land use plans in existence on the date of enactment of this Act;

(2) identify sources of funding;

(3) include—

(A) a program for implementation of the management plan by the management entity, including—

(i) plans for restoration, stabilization, rehabilitation, and construction of public or tribal property; and

(ii) specific commitments by the identified partners referred to in section 5(b)(4) for the first 5 years of operation; and

(B) an interpretation plan for the Heritage Route; and

(4) develop a management plan that will not infringe on private property rights without the consent of the owner of the private property.

(c) FAILURE TO SUBMIT.—If the management entity fails to submit a management plan to the Secretary in accordance with subsection (a), the Heritage Route shall no longer qualify for Federal funding.

(d) APPROVAL AND DISAPPROVAL OF MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 90 days after receipt of a management plan under subsection (a), the Secretary, in consultation with the Governors of the States of Nevada and Utah, shall approve or disapprove the management plan.

(2) CRITERIA.—In determining whether to approve a management plan, the Secretary shall consider whether the management plan—

(A) has strong local support from a diversity of landowners, business interests, nonprofit organizations, and governments associated with the Heritage Route;

(B) is consistent with and complements continued economic activity along the Heritage Route;

(C) has a high potential for effective partnership mechanisms;

(D) avoids infringing on private property rights; and

(E) provides methods to take appropriate action to ensure that private property rights are observed.

(3) ACTION FOLLOWING DISAPPROVAL.—If the Secretary disapproves a management plan under paragraph (1), the Secretary shall—

(A) advise the management entity in writing of the reasons for the disapproval;

(B) make recommendations for revisions to the management plan; and

(C) not later than 90 days after the receipt of any proposed revision of the management plan from the management entity, approve or disapprove the proposed revision.

(e) IMPLEMENTATION.—On approval of the management plan as provided in subsection (d)(1), the management entity, in conjunction with the Secretary, shall take appropriate steps to implement the management plan.

(f) AMENDMENTS.—

(1) IN GENERAL.—The Secretary shall review each amendment to the management plan that the Secretary determines may make a substantial change to the management plan.

(2) USE OF FUNDS.—Funds made available under this Act shall not be expended to implement an amendment described in paragraph (1) until the Secretary approves the amendment.

SEC. 7. AUTHORITY AND DUTIES OF MANAGEMENT ENTITY.

(a) AUTHORITIES.—The management entity may, for purposes of preparing and implementing the management plan, use funds made available under this Act to—

(1) make grants to, and enter into cooperative agreements with, a State (including a political subdivision), an Indian tribe, a private organization, or any person; and

(2) hire and compensate staff.

(b) DUTIES.—In addition to developing the management plan, the management entity shall—

(1) give priority to implementing the memorandum of understanding and the management plan, including taking steps to—

(A) assist units of government, regional planning organizations, and nonprofit organizations in—

(i) establishing and maintaining interpretive exhibits along the Heritage Route;

(ii) developing recreational resources along the Heritage Route;

(iii) increasing public awareness of and appreciation for the archaeological, historical, cultural, natural, scenic, and recreational resources and sites along the Heritage Route; and

(iv) if requested by the owner, restoring, stabilizing, or rehabilitating any private, public, or tribal historical building relating to the themes of the Heritage Route;

(B) encourage economic viability and diversity along the Heritage Route in accordance with the objectives of the management plan; and

(C) encourage the installation of clear, consistent, and environmentally appropriate signage identifying access points and sites of interest along the Heritage Route;

(2) consider the interests of diverse governmental, business, and nonprofit groups associated with the Heritage Route;

(3) conduct public meetings in the region of the Heritage Route at least semiannually regarding the implementation of the management plan;

(4) submit substantial amendments (including any increase of more than 20 percent in the cost estimates for implementation) to the management plan to the Secretary for approval by the Secretary; and

(5) for any year for which Federal funds are received under this Act—

(A) submit to the Secretary a report that describes, for the year—

(i) the accomplishments of the management entity;

(ii) the expenses and income of the management entity; and

(iii) each entity to which any loan or grant was made;

(B) make available for audit all records pertaining to the expenditure of the funds and any matching funds; and

(C) require, for all agreements authorizing the expenditure of Federal funds by any entity, that the receiving entity make available for audit all records pertaining to the expenditure of the funds.

(c) PROHIBITION ON THE ACQUISITION OF REAL PROPERTY.—The management entity shall not use Federal funds made available under this Act to acquire real property or any interest in real property.

(d) PROHIBITION ON THE REGULATION OF LAND USE.—The management entity shall not regulate land use within the Heritage Route.

SEC. 8. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may, on request of the management entity, provide technical and financial assistance to develop and implement the management plan and memorandum of understanding.

(2) PRIORITY FOR ASSISTANCE.—In providing assistance under paragraph (1), the Secretary shall, on request of the management entity, give priority to actions that assist in—

(A) conserving the significant archaeological, historical, cultural, natural, scenic, and recreational resources of the Heritage Route; and

(B) providing education, interpretive, and recreational opportunities, and other uses consistent with those resources.

(b) APPLICATION OF FEDERAL LAW.—The establishment of the Heritage Route shall have no effect on the application of any Federal law to any property within the Heritage Route.

SEC. 9. LAND USE REGULATION; APPLICABILITY OF FEDERAL LAW.

(a) LAND USE REGULATION.—Nothing in this Act—

(1) modifies, enlarges, or diminishes any authority of the Federal, State, tribal, or local government to regulate by law (including by regulation) any use of land; or

(2) grants any power of zoning or land use to the management entity.

(b) APPLICABILITY OF FEDERAL LAW.—Nothing in this Act—

(1) imposes on the Heritage Route, as a result of the designation of the Heritage Route, any regulation that is not applicable to the area within the Heritage Route as of the date of enactment of this Act; or

(2) authorizes any agency to promulgate a regulation that applies to the Heritage Route solely as a result of the designation of the Heritage Route under this Act.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this Act $10,000,000, of which not more than $1,000,000 may be made available for any fiscal year.

(b) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of any activity assisted under this Act shall not exceed 50 percent.

(2) FORM OF NON-FEDERAL SHARE.—The non-Federal share may be in the form of in-kind contributions, donations, grants, and loans from individuals and State or local governments or agencies.

SEC. 11. TERMINATION OF AUTHORITY.

The authority of the Secretary to provide assistance under this Act terminates on the date that is 15 years after the date of enactment of this Act.

By Mr. HARKIN (for himself, Ms. MIKULSKI, Mr. KENNEDY, Mrs. BOXER, Mr. AKAKA, Mr. LEAHY, Mrs. MURRAY, Mr. FEINGOLD, and Mr. DURBIN):

S. 841. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, on behalf of myself and Senators MURRAY, KENNEDY, MIKULSKI, DURBIN, LEAHY, AKAKA, FEINGOLD and BOXER, I am introducing the Fair Pay Act.

April 15, tax day, is also Equal Pay Day. If you add what women made last year and so far this year, that would be the same amount men made in all of last year. In other words, it takes women 16 months to make what men make in 12.

There's been a lot of tax talk from Congress and the White House lately. We've got more than 1 million people out of work. And we've got millions of families struggling to make ends meet. The White House believes a new $750 billion tax cut for the rich is the solution.

I disagree. One way we can put more money in the pockets of working families—pay women what they're worth. Nearly 40 years after the Equal Pay Act became law, women are still paid only 76 cents for every dollar a man earns.

Working women at all income and education levels are affected by the wage gap. Last year, the GAO found that the pay gap continues to effect women in management and that, for these women, the pay gap has actually widened since 1995.

Regardless of education, the impact is the same. These women work as hard as men, but have less money to pay the bills, to put food on the table, or to save for their retirement or their child's education. That is simply wrong and it must end. We must close the wage gap once and for all.

First, we need to do a better job by enforcing and strengthening the penalties for the law that demands equal pay for equal work. That's why I support the Paycheck Fairness Act, sponsored by Senator DASCHLE and Congresswoman DELAURO.

Another part of discrimination against women in the work place is the historic pattern of undervaluing and underpaying so-called ''women's jobs.''

Millions of women today working in female-dominated jobs—as social workers, teachers, child care workers and nurses—are ''equivalent'' in skills, effort, responsibility and working conditions to similar jobs dominated by men. But these women aren't paid the same as men.

That's what the Fair Pay Act—that Congresswoman NORTON and I are reintroducing today—would address. Unfairly low pay in jobs dominated by women is un-American, it is discriminatory and our bill would make it illegal.

20 States have ''fair pay'' laws and policies in place for their employees, including my State of Iowa. And Iowa had a Republican legislature and Governor when this bill passed into law. So, ending wage discrimination against women in a nonpartisan issue.

Some say we don't need any more laws; market forces will take care of the wage gap. If we had relied on market forces we would have never passed the Equal Pay Act, the Civil Rights Act, the Family Medical Leave Act or the Americans with Disabilities Act.

I first introduced the Fair Pay Act in 1996 after the Iowa Business and Professional Women alerted me to this problem. And as long as I'm in the U.S. Senate I will continue to fight to pass this important legislation so we can end wage discrimination against women once and for all.

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

S. 841

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

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the ''Fair Pay Act of 2003''.

(b) REFERENCE.—Except as provided in section 8, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. FINDINGS.

Congress finds the following:

(1) Wage rate differentials exist between equivalent jobs segregated by sex, race, and national origin in Government employment and in industries engaged in commerce or in the production of goods for commerce.

(2) The existence of such wage rate differentials—

(A) depresses wages and living standards for employees necessary for their health and efficiency;

(B) prevents the maximum utilization of the available labor resources;

(C) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;

(D) burdens commerce and the free flow of goods in commerce; and

(E) constitutes an unfair method of competition.

(3) Discrimination in hiring and promotion has played a role in maintaining a segregated work force.

(4) Many women and people of color work in occupations dominated by individuals of their same sex, race, and national origin.

(5)(A) A General Accounting Office analysis of wage rates in the civil service of the State of Washington found that in 1985 of the 44 jobs studied that paid less than the average of all equivalent jobs, approximately 39 percent were female-dominated and approximately 16 percent were male dominated.

(B) A study of wage rates in Minnesota using 1990 Decennial Census data found that 75 percent of the wage rate differential between white and non-white workers was unexplained and may be a result of discrimination.

(6) Section 6(d) of the Fair Labor Standards Act of 1938 prohibits discrimination in compensation for ''equal work'' on the basis of sex.

(7) Title VII of the Civil Rights Act of 1964 prohibits discrimination in compensation because of race, color, religion, national origin, and sex. The Supreme Court, in its decision in County of Washington v. Gunther, 452 U.S. 161 (1981), held that title VII's prohibition against discrimination in compensation also applies to jobs that do not constitute ''equal work'' as defined in section 6(d) of the Fair Labor Standards Act of 1938. Decisions of lower courts, however, have demonstrated that further clarification of existing legislation is necessary in order effectively to carry out the intent of Congress to implement the Supreme Court's holding in its Gunther decision.

(8) Artificial barriers to the elimination of discrimination in compensation based upon sex, race, and national origin continue to exist more than 3 decades after the passage of section 6(d) of the Fair Labor Standards Act of 1938 and the Civil Rights Act of 1964. Elimination of such barriers would have positive effects, including—

(A) providing a solution to problems in the economy created by discrimination through wage rate differentials;

(B) substantially reducing the number of working women and people of color earning low wages, thereby reducing the dependence on public assistance; and

(C) promoting stable families by enabling working family members to earn a fair rate of pay.

SEC. 3. EQUAL PAY FOR EQUIVALENT JOBS.

(a) AMENDMENT.—Section 6 (29 U.S.C. 206) is amended by adding at the end the following:

''(h)(1)(A) Except as provided in subparagraph (B), no employer having employees subject to any provision of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex, race, or national origin by paying wages to employees in such establishment in a job that is dominated by employees of a particular sex, race, or national origin at a rate less than the rate at which the employer pays wages to employees in such establishment in another job that is dominated by employees of the opposite sex or of a different race or national origin, respectively, for work on equivalent jobs.

''(B) Nothing in subparagraph (A) shall prohibit the payment of different wage rates to employees where such payment is made pursuant to—

''(i) a seniority system;

''(ii) a merit system;

''(iii) a system that measures earnings by quantity or quality of production; or

''(iv) a differential based on a bona fide factor other than sex, race, or national origin, such as education, training, or experience, except that this clause shall apply only if—

''(I) the employer demonstrates that—

''(aa) such factor—

''(AA) is job-related with respect to the position in question; or

''(BB) furthers a legitimate business purpose, except that this item shall not apply if the employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing such differential and that the employer has refused to adopt such alternative practice; and

''(bb) such factor was actually applied and used reasonably in light of the asserted justification; and

''(II) upon the employer succeeding under subclause (I), the employee fails to demonstrate that the differential produced by the reliance of the employer on such factor is itself the result of discrimination on the basis of sex, race, or national origin by the employer.

''(C) The Equal Employment Opportunity Commission shall issue guidelines specifying criteria for determining whether a job is dominated by employees of a particular sex, race, or national origin. Such guidelines shall not include a list of such jobs.

''(D) An employer who is paying a wage rate differential in violation of subparagraph (A) shall not, in order to comply with the provisions of such subparagraph, reduce the wage rate of any employee.

''(2) No labor organization or its agents representing employees of an employer having employees subject to any provision of this section shall cause or attempt to cause such an employer to discriminate against an employee in violation of paragraph (1)(A).

''(3) For purposes of administration and enforcement of this subsection, any amounts owing to any employee that have been withheld in violation of paragraph (1)(A) shall be deemed to be unpaid minimum wages or unpaid overtime compensation under this section or section 7.

''(4) In this subsection:

''(A) The term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

''(B) The term 'equivalent jobs' means jobs that may be dissimilar, but whose requirements are equivalent, when viewed as a composite of skills, effort, responsibility, and working conditions.''.

(b) CONFORMING AMENDMENT.—Section 13(a) (29 U.S.C. 213(a)) is amended in the matter before paragraph (1) by striking ''section 6(d)'' and inserting ''sections 6(d) and 6(h)''.

SEC. 4. PROHIBITED ACTS.

Section 15(a) (29 U.S.C. 215(a)) is amended—

(1) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(2) by adding after paragraph (5) the following new paragraphs:

''(6) to discriminate against any individual because such individual has opposed any act or practice made unlawful by section 6(h) or because such individual made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing to enforce section 6(h); or

''(7) to discharge or in any other manner discriminate against, coerce, intimidate, threaten, or interfere with any employee or any other person because the employee inquired about, disclosed, compared, or otherwise discussed the employee's wages or the wages of any other employee, or because the employee exercised, enjoyed, aided, or encouraged any other person to exercise or enjoy any right granted or protected by section 6(h).''.

SEC. 5. REMEDIES.

(a) ENHANCED PENALTIES.—Section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)) is amended—

(1) by inserting after the first sentence the following: ''Any employer who violates subsection (d) or (h) of section 6 shall additionally be liable for such compensatory or punitive damages as may be appropriate, except that the United States shall not be liable for punitive damages.'';

(2) in the sentence beginning ''An action to'', by striking ''either of the preceding sentences'' and inserting ''any of the preceding sentences of this subsection'';

(3) in the sentence beginning ''No employees'', by striking ''No employees'' and inserting ''Except with respect to class actions brought under subsection (f), no employee'';

(4) in the sentence beginning ''The court in'', by striking ''in such action'' and inserting ''in any action brought to recover the liability prescribed in any of the preceding sentences of this subsection''; and

(5) by striking ''section 15(a)(3)'' each place it occurs and inserting ''paragraphs (3), (6), and (7) of section 15(a)''.

(b) ACTION BY SECRETARY.—Section 16(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(c)) is amended—

(1) in the first sentence—

(A) by inserting ''or, in the case of a violation of subsection (d) or (h) of section 6, additional compensatory or punitive damages,'' before ''and the agreement''; and

(B) by inserting before the period the following: '', or such compensatory or punitive damages, as appropriate'';

(2) in the second sentence, by inserting before the period the following: ''and, in the case of a violation of subsection (d) or (h) of section 6, additional compensatory or punitive damages''; and

(3) in the third sentence, by striking ''the first sentence'' and inserting ''the first or second sentence''.

(c) FEES.—Section 16 (29 U.S.C. 216) is amended by adding at the end the following:

''(f) In any action brought under this section for violation of section 6(h), the court shall, in addition to any other remedies awarded to the prevailing plaintiff or plaintiffs, allow expert fees as part of the costs. Any such action may be maintained as a class action as provided by the Federal Rules of Civil Procedure.''.

SEC. 6. RECORDS.

(a) TECHNICAL AMENDMENT.—Section 11(c) (29 U.S.C. 211(c)) is amended by inserting ''(1)'' after ''(c)''.

(b) RECORDS.—Section 11(c) (as amended by subsection (a)) is further amended by adding at the end the following:

''(2)(A) Every employer subject to section 6(h) shall preserve records that document and support the method, system, calculations, and other bases used by the employer in establishing, adjusting, and determining the wage rates paid to the employees of the employer. Every employer subject to section 6(h) shall preserve such records for such periods of time, and shall make such reports from the records to the Equal Employment Opportunity Commission, as shall be prescribed by the Equal Employment Opportunity Commission by regulation or order as necessary or appropriate for the enforcement of the provisions of section 6(h) or any regulation promulgated pursuant to section 6(h).''.

(c) SMALL BUSINESS EXEMPTIONS.—Section 11(c) (as amended by subsections (a) and (b)) is further amended by adding at the end the following:

''(B)(i) Every employer subject to section 6(h) that has 25 or more employees on any date during the first or second year after the effective date of this paragraph, or 15 or more employees on any date during any subsequent year after such second year, shall, in accordance with regulations promulgated by the Equal Employment Opportunity Commission under subparagraph (F), prepare and submit to the Equal Employment Opportunity Commission for the year involved a report signed by the president, treasurer, or corresponding principal officer, of the employer that includes information that discloses the wage rates paid to employees of the employer in each classification, position, or job title, or to employees in other wage groups employed by the employer, including information with respect to the sex, race, and national origin of employees at each wage rate in each classification, position, job title, or other wage group.''.

(d) PROTECTION OF CONFIDENTIALITY.—Section 11(c) (as amended by subsections (a) through (c)) is further amended by adding at the end the following:

''(ii) The rules and regulations promulgated by the Equal Employment Opportunity Commission under subparagraph (F), relating to the form of such a report, shall include requirements to protect the confidentiality of employees, including a requirement that the report shall not contain the name of any individual employee.''.

(e) USE; INSPECTIONS; EXAMINATIONS; REGULATIONS.—Section 11(c) (as amended by subsections (a) through (d)) is further amended by adding at the end the following:

''(C) The Equal Employment Opportunity Commission may publish any information and data that the Equal Employment Opportunity Commission obtains pursuant to the provisions of subparagraph (B). The Equal Employment Opportunity Commission may use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based on the information and data as the Equal Employment Opportunity Commission may consider appropriate.

''(D) In order to carry out the purposes of this Act, the Equal Employment Opportunity Commission shall by regulation make reasonable provision for the inspection and examination by any person of the information and data contained in any report submitted to the Equal Employment Opportunity Commission pursuant to subparagraph (B).

''(E) The Equal Employment Opportunity Commission shall by regulation provide for the furnishing of copies of reports submitted to the Equal Employment Opportunity Commission pursuant to subparagraph (B) to any person upon payment of a charge based upon the cost of the service.

''(F) The Equal Employment Opportunity Commission shall issue rules and regulations prescribing the form and content of reports required to be submitted under subparagraph (B) and such other reasonable rules and regulations as the Equal Employment Opportunity Commission may find necessary to prevent the circumvention or evasion of such reporting requirements. In exercising the authority of the Equal Employment Opportunity Commission under subparagraph (B), the Equal Employment Opportunity Commission may prescribe by general rule simplified reports for employers for whom the Equal Employment Opportunity Commission finds that because of the size of the employers a detailed report would be unduly burdensome.''.

SEC. 7. RESEARCH, EDUCATION, AND TECHNICAL ASSISTANCE PROGRAM; REPORT TO CONGRESS.

Section 4(d) (29 U.S.C. 204(d)) is amended by adding at the end the following:

''(4) The Equal Employment Opportunity Commission shall conduct studies and provide information and technical assistance to employers, labor organizations, and the general public concerning effective means available to implement the provisions of section 6(h) prohibiting wage rate discrimination between employees performing work in equivalent jobs on the basis of sex, race, or national origin. Such studies, information, and technical assistance shall be based on and include reference to the objectives of such section to eliminate such discrimination. In order to achieve the objectives of such section, the Equal Employment Opportunity Commission shall carry on a continuing program of research, education, and technical assistance including—

''(A) conducting and promoting research with the intent of developing means to expeditiously correct the wage rate differentials described in section 6(h);

''(B) publishing and otherwise making available to employers, labor organizations, professional associations, educational institutions, the various media of communication, and the general public the findings of studies and other materials for promoting compliance with section 6(h);

''(C) sponsoring and assisting State and community informational and educational programs; and

''(D) providing technical assistance to employers, labor organizations, professional associations and other interested persons on means of achieving and maintaining compliance with the provisions of section 6(h).

''(5) The report submitted biennially by the Secretary to Congress under paragraph (1) shall include a separate evaluation and appraisal regarding the implementation of section 6(h).''.

SEC. 8. CONFORMING AMENDMENTS.

(a) CONGRESSIONAL EMPLOYEES.—

(1) APPLICATION.—Section 203(a)(1) of the Congressional Accountability Act of 1995 (2 U.S.C. 1313(a)(1)) is amended—

(A) by striking ''subsections (a)(1) and (d) of section 6'' and inserting ''subsections (a)(1), (d), and (h) of section 6''; and

(B) by striking ''206 (a)(1) and (d)'' and inserting ''206 (a)(1), (d), and (h)''.

(2) REMEDIES.—Section 203(b) of such Act (2 U.S.C. 1313(b)) is amended by inserting before the period the following: ''or, in an appropriate case, under section 16(f) of such Act (29 U.S.C. 216(f))''.

(b) EXECUTIVE BRANCH EMPLOYEES.—

(1) APPLICATION.—Section 413(a)(1) of title 3, United States Code, as added by section 2(a) of the Presidential and Executive Office Accountability Act (Public Law 104–331; 110 Stat. 4053), is amended by striking ''subsections (a)(1) and (d) of section 6'' and inserting ''subsections (a)(1), (d), and (h) of section 6''.

(2) REMEDIES.—Section 413(b) of such title is amended by inserting before the period the following: ''or, in an appropriate case, under section 16(f) of such Act''.

SEC. 9. EFFECTIVE DATE.

The amendments made by this Act shall take effect 1 year after the date of enactment of this Act.

By Mr. KERRY:

S. 842. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes; to the Committee on Finance.

Mr. KERRY. Mr. President, today I am introducing a package of targeted, affordable tax relief provisions designed to help the Nation's small businesses during this time of economic stagnation. After the Easter recess, I know that the Finance Committee will be marking up a wide-ranging tax bill whose ultimate size is yet to be determined. I also know, however, that few of the proposals offered by the President will truly stimulate the economy or help the millions of struggling small businesses. Instead, the Bush tax proposal will reward the richest among us and pass the bill to our children. We can and must do better.

As the Ranking Member of the Senate Committee on Small Business and Entrepreneurship, I have drafted legislation that will truly help small businesses and the Nation. It is a tax proposal with meaningful, affordable reforms that will make a difference without sticking our kids with a huge bill. I hope that all of part of this legislation can be incorporated into a Senate economic stimulus package. I have titled the bill that I am introducing today ''The Affordable Small Business Stimulus and Simplification Act of 2003,'' and it builds upon a bill that I introduced in the 107th Congress.

I call my bill an ''affordable'' stimulus package for small business because it targets the policies that can make the biggest difference and uses our limited resources as wisely and efficiently as possible. It does not include everything that I would like to do for small business, but it includes enough to help stimulate this essential component of our economy. Moreover, the bill will help address the tax complexity concerns of small businesses because it includes the Single Point Tax Filing Act that has passed the Senate on two previous occasions and a new standard deduction that will benefit millions of small businesses.

Let me briefly explain the contents of my bill.

First, my bill increases the expensing limitation for small businesses. It raises it to $35,000, rising to $40,000 in 2008, and it increases the phase-out level, above which expensing is not allowed, to $350,000, rising to $400,000 in 2008. I know that others have proposed raising this limit as high as $75,000, but such an increase is simply unaffordable while we face huge budget deficits. Raising it to $35,000 now, rising to $40,000 in 2008, is a more responsible approach and will provide an immediate investment incentive to many small businesses.

Second, my bill creates a new standard deduction of $500 for sole proprietorships. This provision provides tax relief and real tax simplification to the smallest of small businesses because it would relieve these businesses of the paperwork burden of having to itemize the myriad of small expenses on IRS forms. Of course, businesses with expenses greater than $500 would retain the option of full itemization. But for the very smallest businesses, many of them home-based or part-time, this new provision will be a significant step towards tax simplification.

Third, the bill modifies and expands a provision that was signed into law in 1993 regarding new equity investments in small businesses' stock. Under my bill, new investments in companies with capitalization of up to $100 million at the time of investment will have a 75 percent capital gains exclusion if the investments are held at least four years. The exclusion for such investments will be 100 percent if they are made in a business involved in such critical technologies as transportation or homeland security, defense-related technologies, anti-terrorism, pollution control, energy efficiency, or waste management. The 100-percent exclusion would also be allowed for investments in specialized small business investment companies, or SSBICs, whose investments are made solely in disadvantaged small businesses. Both the 75 and 100 percent exclusion levels would be available for investments made by both individuals and corporations. In addition, the rollover period for such investments would be increased from 60 days to 180 days. The provision passed in 1993 was crafted too narrowly to stimulate substantial new investment. I hope that this new, expanded capital gains treatment will prompt new investments in small and entrepreneurial businesses.

Fourth, my bill recognizes that the current depreciation schedules for high-tech equipment and software are out of date, given how quickly such items become obsolete in our fast-changing economy. My bill would reduce the recovery period for computers or peripheral equipment from five years to three, and for software from three years to two. This change would be permanent.

Fifth, my bill would fix a problem with the tax deductibility of health insurance expenses for the self-employed. Under current law, these expenses are fully deductible in 2003 for the first time—but the Internal Revenue Code denies the deduction to taxpayers who are eligible to participate in another plan, such as their spouse's employer's plan. My bill would clarify that the deduction is denied only if the taxpayer actually participates in the other plan.

Sixth, to simplify tax filing, my bill would include the Single Point Tax Filing Act. This section would simplify the tax filing process for employers that choose to participate by allowing the Internal Revenue Service and State agencies to combine, on one form, both State and Federal employment tax returns. This provision has been passed by the Senate twice before, but has not yet become law. There is currently a demonstration project along these lines in Montana, which is working very well. I believe such authority should extend to all States.

Seventh, my bill clarifies that married couples who co-own a business can elect to be sole proprietors for purposes of filing their Federal income taxes. This provision aligns the law with the way many married couples actually do business. Under present law, married couples who co-own a business technically own that business as a partnership for Federal income tax purposes. This treatment carries with it all the complications of the partnership provisions of the Internal Revenue Code, including having to file partnership returns. But in reality, many married couples in this situation consider themselves sole proprietors and are incorrectly filing tax returns as such. While the IRS may not be strictly enforcing the law against these taxpayers, this technical non-compliance can cause trouble down the road. Upon divorce, for example, it may not be clear that the business had been jointly owned. This same ambiguity might complicate a spouse's ability to get the full Social Security and Medicare benefits to which they are entitled. My bill makes clear that for Federal income tax purposes, married couples who co-own a business can be treated as sole proprietors.

Eighth, my bill would extend the existing income averaging provisions to cover fishing as well as farming. In other words, the choice to average income from a farming trade or business under present law would be extended to cover income from the trade or business of fishing as well. Under my bill, a farmer or fisherman electing to average his or her income would owe the alternative minimum tax, AMT, only to the extent he or she would have owed AMT had averaging not been elected. This is an important change that will benefit not only people in my state, but also throughout New England, the Pacific Northwest, the Gulf of Mexico region, Alaska, and in other areas of the country where fishing is an important industry.

Finally, my bill would modify the tax treatment of investments in debenture small business investment companies, or SBICs, so they are less likely to create unrelated business taxable income, UBTI, liability. The current tax treatment of money borrowed from the government by a debenture SBIC creates taxable income for an otherwise tax-exempt investor, which makes it almost impossible to raise capital from these investors. Free to choose, tax-exempt investors opt to invest in venture capital funds that do not create any UBTI liability. Therefore, my bill would assure that money borrowed from the government by an SBIC does not subject tax-exempt investors to UBTI. In so doing, the bill would encourage greater investment in SBICs, which provide critically needed venture capital to emerging small businesses. These venture capital funds are sorely needed in today's stalled economy.

I believe that ''The Affordable Small Business Stimulus and Stimulus Act of 2003'' will provide a much-needed stimulus to small business in a way that we can afford, particularly if we can find offsets to pay for the bill. I look forward to working with the Chairman and Ranking Member of the Finance Committee to have some or all of its provisions enacted into law.

By Mr. CARPER (for himself, Mr. CHAFEE, and Mr. GREGG):

S. 843. A bill to amend the Clean Air Act to establish a national uniform multiple air pollutant regulatory program for the electric generating sector; to the Committee on Environment and Public Works.

Mr. CARPER. Mr. President, today along with Senators LINCOLN CHAFEE and JUDD GREGG, I am introducing comprehensive legislation to reduce harmful emissions from our Nation's power plants. Developed after extensive input from electric generators who would be affected by such legislation, leaders in the environmental community, and State and local regulators who will enforce any new requirements, the Clean Air Planning Act is a balanced approach to a difficult challenge.

The Clean Air Planning Act takes a market-based approach that would aggressively reduce electric power generators' emissions of sulfur dioxide, SO_2, by 80 percent, nitrogen oxides, NO_X, by 69 percent, mercury by 80 percent, and return carbon dioxide, CO_2, emissions to 2001 levels within a decade. It provides planning and regulatory certainty to electric generators who would be required to achieve these regulations.

The negative public health and environmental impacts of SO_2, NO_X and mercury emissions have been well documented. While there is bipartisan agreement that emissions of these three pollutants from power plants need further control, there is disagreement over how much and how fast. The bill includes a flexible trading system that allows for attainment of the caps

in the most efficient manner and updates the new source review program to help encourage emission reductions to occur.

There is also a growing consensus that greenhouse gases such as CO_2 emissions from power plants are contributing to climate change. The time has come to set up mechanisms that will address these emissions without impeding economic growth. The Clean Air Planning Act establishes modest goal of capping CO_2 emissions from electrical generators at 2001 levels by 2013. Generators could meet that goal with a flexible system that allows both trading between generators and earning credits through off-system reductions of greenhouse gases.

Today, America's power plants will emit over 6 million tons of harmful emissions. They will also power the world's most productive economy. Reducing emissions while retaining affordable electricity is the goal of the Clean Air Planning Act, and I urge others to join in this effort.

In the months ahead, this clean air bill and others will be compared and debated. Opponents and supporters will be heard, but at the outset I believe we should agree on a set of guiding principles.

Four is better than three: A comprehensive four-emission strategy that includes carbon reductions provides regulatory certainty and offers the greatest environmental and economic benefits.

Markets work: Cape and trade based emission standards provide the maximum incentive to achieve cleaner power.

Stairs are better than cliffs: Prompt but gradual reductions through multiphase or declining caps are more desirable than single phased cuts.

Eliminate redundancy: Existing regulatory programs will need some modernization in light of tight emission caps.

Clean air is a basic right all Americans deserve. The responsibility to ensure that right falls to Congress and the President. By putting our differences aside and focusing on the challenge at hand the result will be healthy citizens breathing clean air, a vibrant economy with abundant affordable electricity, and a model for the rest of the world to follow.

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. 843

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Clean Air Planning Act of 2003''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) fossil fuel-fired electric generating facilities, consisting of facilities fueled by coal, fuel oil, and natural gas, produce nearly ⅔ of the electricity generated in the United States;

(2) fossil fuel-fired electric generating facilities produce approximately ⅔ of the total sulfur dioxide emissions, ⅓ of the total nitrogen oxides emissions, ⅓ of the total carbon dioxide emissions, and ⅓ of the total mercury emissions, in the United States;

(3)(A) many electric generating facilities have been exempt from the emission limitations applicable to new units based on the expectation that over time the units would be retired or updated with new pollution control equipment; but

(B) many of the exempted units continue to operate and emit pollutants at relatively high rates;

(4) pollution from existing electric generating facilities can be reduced through adoption of modern technologies and practices;

(5) the electric generating industry is being restructured with the objective of providing lower electricity rates and higher quality service to consumers;

(6) the full benefits of competition will not be realized if the environmental impacts of generation of electricity are not uniformly internalized; and

(7) the ability of owners of electric generating facilities to effectively plan for the future is impeded by the uncertainties surrounding future environmental regulatory requirements that are imposed inefficiently on a piecemeal basis.

(b) PURPOSES.—The purposes of this Act are—

(1) to protect and preserve the environment and safeguard public health by ensuring that substantial emission reductions are achieved at fossil fuel-fired electric generating facilities;

(2) to significantly reduce the quantities of mercury, carbon dioxide, sulfur dioxide, and nitrogen oxides that enter the environment as a result of the combustion of fossil fuels;

(3) to encourage the development and use of renewable energy;

(4) to internalize the cost of protecting the values of public health, air, land, and water quality in the context of a competitive market in electricity;

(5) to ensure fair competition among participants in the competitive market in electricity that will result from fully restructuring the electric generating industry;

(6) to provide a period of environmental regulatory stability for owners and operators of electric generating facilities so as to promote improved management of existing assets and new capital investments; and

(7) to achieve emission reductions from electric generating facilities in a cost-effective manner.

SEC. 3. INTEGRATED AIR QUALITY PLANNING FOR THE ELECTRIC GENERATING SECTOR.

The Clean Air Act (42 U.S.C. 7401 et seq.) is amended by adding at the end the following:

''TITLE VII—INTEGRATED AIR QUALITY PLANNING FOR THE ELECTRIC GENERATING SECTOR

''SEC. 701. DEFINITIONS.

''In this title:

''(1) AFFECTED UNIT.—

''(A) MERCURY.—The term 'affected unit', with respect to mercury, means a coal-fired electric generating facility (including a cogenerating facility) that—

''(i) has a nameplate capacity greater than 25 megawatts; and

''(ii) generates electricity for sale.

''(B) NITROGEN OXIDES AND CARBON DIOXIDE.—The term 'affected unit', with respect to nitrogen oxides and carbon dioxide, means a fossil fuel-fired electric generating facility (including a cogenerating facility) that—

''(i) has a nameplate capacity greater than 25 megawatts; and

''(ii) generates electricity for sale.

''(C) SULFUR DIOXIDE.—The term 'affected unit', with respect to sulfur dioxide, has the meaning given the term in section 402.

''(2) CARBON DIOXIDE ALLOWANCE.—The term 'carbon dioxide allowance' means an authorization allocated by the Administrator under this title to emit 1 ton of carbon dioxide during or after a specified calendar year.

''(3) COVERED UNIT.—The term 'covered unit' means—

''(A) an affected unit;

''(B) a nuclear generating unit with respect to incremental nuclear generation; and

''(C) a renewable energy unit.

''(4) GREENHOUSE GAS.—The term 'greenhouse gas' means—

''(A) carbon dioxide;

''(B) methane;

''(C) nitrous oxide;

''(D) hydrofluorocarbons;

''(E) perfluorocarbons; and

''(F) sulfur hexafluoride.

''(5) INCREMENTAL NUCLEAR GENERATION.—The term 'incremental nuclear generation' means the difference between—

''(A) the quantity of electricity generated by a nuclear generating unit in a calendar year; and

''(B) the quantity of electricity generated by the nuclear generating unit in calendar year 1990;

as determined by the Administrator and measured in megawatt hours.

''(6) MERCURY ALLOWANCE.—The term 'mercury allowance' means an authorization allocated by the Administrator under this title to emit 1 pound of mercury during or after a specified calendar year.

''(7) NEW RENEWABLE ENERGY UNIT.—The term 'new renewable energy unit' means a renewable energy unit that has operated for a period of not more than 3 years.

''(8) NEW UNIT.—The term 'new unit' means an affected unit that has operated for not more than 3 years and is not eligible to receive—

''(A) sulfur dioxide allowances under section 417(b);

''(B) nitrogen oxide allowances or mercury allowances under section 703(c)(2); or

''(C) carbon dioxide allowances under section 704(c)(2).

''(9) NITROGEN OXIDE ALLOWANCE.—The term 'nitrogen oxide allowance' means an authorization allocated by the Administrator under this title to emit 1 ton of nitrogen oxides during or after a specified calendar year.

''(10) NUCLEAR GENERATING UNIT.—The term 'nuclear generating unit' means an electric generating facility that—

''(A) uses nuclear energy to supply electricity to the electric power grid; and

''(B) commenced operation in calendar year 1990 or earlier.

''(11) RENEWABLE ENERGY.—The term 'renewable energy' means electricity generated from—

''(A) wind;

''(B) organic waste (excluding incinerated municipal solid waste);

''(C) biomass (including anaerobic digestion from farm systems and landfill gas recovery);

''(D) fuel cells; or

''(E) a hydroelectric, geothermal, solar thermal, photovoltaic, or other nonfossil fuel, nonnuclear source.

''(12) RENEWABLE ENERGY UNIT.—The term 'renewable energy unit' means an electric generating facility that uses exclusively renewable energy to supply electricity to the electric power grid.

''(13) SEQUESTRATION.—The term 'sequestration' means the action of sequestering carbon by—

''(A) enhancing a natural carbon sink (such as through afforestation); or

''(B)(i) capturing the carbon dioxide emitted from a fossil fuel-based energy system; and

''(ii)(I) storing the carbon in a geologic formation; or

''(II) converting the carbon to a benign solid material through a biological or chemical process.

''(14) SULFUR DIOXIDE ALLOWANCE.—The term 'sulfur dioxide allowance' has the meaning given the term 'allowance' in section 402.

''SEC. 702. NATIONAL POLLUTANT TONNAGE LIMITATIONS.

''(a) SULFUR DIOXIDE.—The annual tonnage limitation for emissions of sulfur dioxide from affected units in the United States shall be equal to—

''(1) for each of calendar years 2009 through 2012, 4,500,000 tons;

''(2) for each of calendar years 2013 through 2015, 3,500,000 tons; and

''(3) for calendar year 2016 and each calendar year thereafter, 2,250,000 tons.

''(b) NITROGEN OXIDES.—The annual tonnage limitation for emissions of nitrogen oxides from affected units in the United States shall be equal to—

''(1) for each of calendar years 2009 through 2012, 1,870,000 tons; and

''(2) for calendar year 2013 and each calendar year thereafter, 1,700,000 tons.

''(c) MERCURY.—

''(1) IN GENERAL.—The annual tonnage limitation for emissions of mercury from affected units in the United States shall be equal to—

''(A) for each of calendar years 2009 through 2012, 24 tons; and

''(B) for calendar year 2013 and each calendar year thereafter, 10 tons.

''(2) MAXIMUM EMISSIONS OF MERCURY FROM EACH AFFECTED UNIT.—

''(A) CALENDAR YEARS 2009 THROUGH 2012.—For each of calendar years 2009 through 2012, the emissions of mercury from each affected unit shall not exceed either, at the option of the operator of the affected unit—

''(i) 50 percent of the total quantity of mercury present in the coal delivered to the affected unit in the calendar year; or

''(ii) an annual output-based emission rate for mercury that shall be determined by the Administrator based on an input-based rate of 4 pounds per trillion British thermal units.

''(B) CALENDAR YEAR 2013 AND THEREAFTER.—For calendar year 2013 and each calendar year thereafter, the emissions of mercury from each affected unit shall not exceed—

''(i) 30 percent of the total quantity of mercury present in the coal delivered to the affected unit in the calendar year; or

''(ii) an annual output-based emission rate for mercury that shall be determined by the Administrator.

''(d) CARBON DIOXIDE.—Subject to section 704(d), the annual tonnage limitation for emissions of carbon dioxide from covered units in the United States shall be equal to—

''(1) for each of calendar years 2009 through 2012, the quantity of emissions projected to be emitted from affected units in calendar year 2006, as determined by the Energy Information Administration of the Department of Energy based on the projections of the Administration the publication of which most closely precedes the date of enactment of this title; and

''(2) for calendar year 2013 and each calendar year thereafter, the quantity of emissions emitted from affected units in calendar year 2001, as determined by the Energy Information Administration of the Department of Energy.

''(e) REVIEW OF ANNUAL TONNAGE LIMITATIONS.—

''(1) PERIOD OF EFFECTIVENESS.—The annual tonnage limitations established under subsections (a) through (d) shall remain in effect until the date that is 20 years after the date of enactment of this title.

''(2) DETERMINATION BY ADMINISTRATOR.—Not later than 15 years after the date of enactment of this title, the Administrator, after considering impacts on human health, the environment, the economy, and costs, shall determine whether 1 or more of the annual tonnage limitations should be revised.

''(3) DETERMINATION NOT TO REVISE.—If the Administrator determines under paragraph (2) that none of the annual tonnage limitations should be revised, the Administrator shall publish in the Federal Register a notice of the determination and the reasons for the determination.

''(4) DETERMINATION TO REVISE.—

''(A) IN GENERAL.—If the Administrator determines under paragraph (2) that 1 or more of the annual tonnage limitations should be revised, the Administrator shall publish in the Federal Register—

''(i) not later than 15 years and 180 days after the date of enactment of this title, proposed regulations implementing the revisions; and

''(ii) not later than 16 years and 180 days after the date of enactment of this title, final regulations implementing the revisions.

''(B) EFFECTIVE DATE OF REVISIONS.—Any revisions to the annual tonnage limitations under subparagraph (A) shall take effect on the date that is 20 years after the date of enactment of this title.

''(f) REDUCTION OF EMISSIONS FROM SPECIFIED AFFECTED UNITS.—Subject to the requirements of this Act concerning national ambient air quality standards established under part A of title I, notwithstanding the annual tonnage limitations established under this section, the Federal Government or a State government may require that emissions from a specified affected unit be reduced to address a local air quality problem.

''SEC. 703. NITROGEN OXIDE AND MERCURY ALLOWANCE TRADING PROGRAMS.

''(a) REGULATIONS.—

''(1) PROMULGATION.—

''(A) IN GENERAL.—Not later than January 1, 2005, the Administrator shall promulgate regulations to establish for affected units in the United States—

''(i) a nitrogen oxide allowance trading program; and

''(ii) a mercury allowance trading program.

''(B) REQUIREMENTS.—Regulations promulgated under subparagraph (A) shall establish requirements for the allowance trading programs under this section, including requirements concerning—

''(i)(I) the generation, allocation, issuance, recording, tracking, transfer, and use of nitrogen oxide allowances and mercury allowances; and

''(II) the public availability of all information concerning the activities described in subclause (I) that is not confidential;

''(ii) compliance with subsection (e)(1);

''(iii) the monitoring and reporting of emissions under paragraphs (2) and (3) of subsection (e); and

''(iv) excess emission penalties under subsection (e)(4).

''(2) MIXED FUEL, CO-GENERATION FACILITIES AND COMBINED HEAT AND POWER FACILITIES.—The Administrator shall promulgate such regulations as are necessary to ensure the equitable issuance of allowances to—

''(A) facilities that use more than 1 energy source to produce electricity; and

''(B) facilities that produce electricity in addition to another service or product.

''(3) REPORT TO CONGRESS ON USE OF CAPTURED OR RECOVERED MERCURY.—

''(A) IN GENERAL.—Not later than 18 months after the date of enactment of this title, the Administrator shall submit to Congress a report on the public health and environmental impacts from mercury that is or may be—

''(i) captured or recovered by air pollution control technology; and

''(ii) incorporated into products such as soil amendments and cement.

''(B) REQUIRED ELEMENTS.—The report shall—

''(i) review—

''(I) technologies, in use as of the date of the report, for incorporating mercury into products; and

''(II) potential technologies that might further minimize the release of mercury; and

''(ii)(I) address the adequacy of legal authorities and regulatory programs in effect as of the date of the report to protect public health and the environment from mercury in products described in subparagraph (A)(ii); and

''(II) to the extent necessary, make recommendations to improve those authorities and programs.

''(b) NEW UNIT RESERVES.—

''(1) ESTABLISHMENT.—The Administrator shall establish by regulation a reserve of nitrogen oxide allowances and a reserve of mercury allowances to be set aside for use by new units.

''(2) DETERMINATION OF QUANTITY.—The Administrator, in consultation with the Secretary of Energy, shall determine, based on projections of electricity output for new units—

''(A) not later than June 30, 2005, the quantity of nitrogen oxide allowances and mercury allowances required to be held in reserve for new units for each of calendar years 2009 through 2013; and

''(B) not later than June 30 of each fifth calendar year thereafter, the quantity of nitrogen oxide allowances and mercury allowances required to be held in reserve for new units for the following 5-calendar year period.

''(c) NITROGEN OXIDE AND MERCURY ALLOWANCE ALLOCATIONS.—

''(1) TIMING OF ALLOCATIONS.—The Administrator shall allocate nitrogen oxide allowances and mercury allowances to affected units—

''(A) not later than December 31, 2005, for calendar year 2009; and

''(B) not later than December 31 of calendar year 2006 and each calendar year thereafter, for the fourth calendar year that begins after that December 31.

''(2) ALLOCATIONS TO AFFECTED UNITS THAT ARE NOT NEW UNITS.—

''(A) QUANTITY OF NITROGEN OXIDE ALLOWANCES ALLOCATED.—The Administrator shall allocate to each affected unit that is not a new unit a quantity of nitrogen oxide allowances that is equal to the product obtained by multiplying—

''(i) 1.5 pounds of nitrogen oxides per megawatt hour; and

''(ii) the quotient obtained by dividing—

''(I) the average annual net quantity of electricity generated by the affected unit during the most recent 3-calendar year period for which data are available, measured in megawatt hours; by

''(II) 2,000 pounds of nitrogen oxides per ton.

''(B) QUANTITY OF MERCURY ALLOWANCES ALLOCATED.—The Administrator shall allocate to each affected unit that is not a new unit a quantity of mercury allowances that is equal to the product obtained by multiplying—

''(i) 0.0000227 pounds of mercury per megawatt hour; and

''(ii) the average annual net quantity of electricity generated by the affected unit during the most recent 3-calendar year period for which data are available, measured in megawatt hours.

''(C) ADJUSTMENT OF ALLOCATIONS.—

''(i) IN GENERAL.—If, for any calendar year, the total quantity of allowances allocated under subparagraph (A) or (B) is not equal to the applicable quantity determined under clause (ii), the Administrator shall adjust the quantity of allowances allocated to affected units that are not new units on a pro-rata basis so that the quantity is equal to the applicable quantity determined under clause (ii).

''(ii) APPLICABLE QUANTITY.—The applicable quantity referred to in clause (i) is the difference between—

''(I) the applicable annual tonnage limitation for emissions from affected units specified in subsection (b) or (c) of section 702 for the calendar year; and

''(II) the quantity of nitrogen oxide allowances or mercury allowances, respectively, placed in the applicable new unit reserve established under subsection (b) for the calendar year.

''(3) ALLOCATION TO NEW UNITS.—

''(A) METHODOLOGY.—The Administrator shall promulgate regulations to establish a methodology for allocating nitrogen oxide allowances and mercury allowances to new units.

''(B) QUANTITY OF NITROGEN OXIDE ALLOWANCES AND MERCURY ALLOWANCES ALLOCATED.—The Administrator shall determine the quantity of nitrogen oxide allowances and mercury allowances to be allocated to each new unit based on the projected emissions from the new unit.

''(4) ALLOWANCE NOT A PROPERTY RIGHT.—A nitrogen oxide allowance or mercury allowance—

''(A) is not a property right; and

''(B) may be terminated or limited by the Administrator.

''(5) NO JUDICIAL REVIEW.—An allocation of nitrogen allowances or mercury allowances by the Administrator under this subsection shall not be subject to judicial review.

''(d) NITROGEN OXIDE ALLOWANCE AND MERCURY ALLOWANCE TRANSFER SYSTEM.—

''(1) USE OF ALLOWANCES.—The regulations promulgated under subsection (a)(1)(A) shall—

''(A) prohibit the use (but not the transfer in accordance with paragraph (3)) of any nitrogen oxide allowance or mercury allowance before the calendar year for which the allowance is allocated;

''(B) provide that unused nitrogen oxide allowances and mercury allowances may be carried forward and added to nitrogen oxide allowances and mercury allowances, respectively, allocated for subsequent years; and

''(C) provide that unused nitrogen oxide allowances and mercury allowances may be transferred by—

''(i) the person to which the allowances are allocated; or

''(ii) any person to which the allowances are transferred.

''(2) USE BY PERSONS TO WHICH ALLOWANCES ARE TRANSFERRED.—Any person to which nitrogen oxide allowances or mercury allowances are transferred under paragraph (1)(C)—

''(A) may use the nitrogen oxide allowances or mercury allowances in the calendar year for which the nitrogen oxide allowances or mercury allowances were allocated, or in a subsequent calendar year, to demonstrate compliance with subsection (e)(1); or

''(B) may transfer the nitrogen oxide allowances or mercury allowances to any other person for the purpose of demonstration of that compliance.

''(3) CERTIFICATION OF TRANSFER.—A transfer of a nitrogen oxide allowance or mercury allowance shall not take effect until a written certification of the transfer, authorized by a responsible official of the person making the transfer, is received and recorded by the Administrator.

''(4) PERMIT REQUIREMENTS.—An allocation or transfer of nitrogen oxide allowances or mercury allowances to an affected unit shall, after recording by the Administrator, be considered to be part of the federally enforceable permit of the affected unit under this Act, without a requirement for any further review or revision of the permit.

''(e) COMPLIANCE AND ENFORCEMENT.—

''(1) IN GENERAL.—For calendar year 2009 and each calendar year thereafter, the operator of each affected unit shall surrender to the Administrator—

''(A) a quantity of nitrogen oxide allowances that is equal to the total tons of nitrogen oxides emitted by the affected unit during the calendar year; and

''(B) a quantity of mercury allowances that is equal to the total pounds of mercury emitted by the affected unit during the calendar year.

''(2) MONITORING SYSTEM.—The Administrator shall promulgate regulations requiring the accurate monitoring of the quantities of nitrogen oxides and mercury that are emitted at each affected unit.

''(3) REPORTING.—

''(A) IN GENERAL.—Not less often than quarterly, the owner or operator of an affected unit shall submit to the Administrator a report on the monitoring of emissions of nitrogen oxides and mercury carried out by the owner or operator in accordance with the regulations promulgated under paragraph (2).

''(B) AUTHORIZATION.—Each report submitted under subparagraph (A) shall be authorized by a responsible official of the affected unit, who shall certify the accuracy of the report.

''(C) PUBLIC REPORTING.—The Administrator shall make available to the public, through 1 or more published reports and 1 or more forms of electronic media, data concerning the emissions of nitrogen oxides and mercury from each affected unit.

''(4) EXCESS EMISSIONS.—

''(A) IN GENERAL.—The owner or operator of an affected unit that emits nitrogen oxides or mercury in excess of the nitrogen oxide allowances or mercury allowances that the owner or operator holds for use for the affected unit for the calendar year shall—

''(i) pay an excess emissions penalty determined under subparagraph (B); and

''(ii) offset the excess emissions by an equal quantity in the following calendar year or such other period as the Administrator shall prescribe.

''(B) DETERMINATION OF EXCESS EMISSIONS PENALTY.—

''(i) NITROGEN OXIDES.—The excess emissions penalty for nitrogen oxides shall be equal to the product obtained by multiplying—

''(I) the number of tons of nitrogen oxides emitted in excess of the total quantity of nitrogen oxide allowances held; and

''(II) $5,000, adjusted (in accordance with regulations promulgated by the Administrator) for changes in the Consumer Price Index for All-Urban Consumers published by the Department of Labor.

''(ii) MERCURY.—The excess emissions penalty for mercury shall be equal to the product obtained by multiplying—

''(I) the number of pounds of mercury emitted in excess of the total quantity of mercury allowances held; and

''(II) $10,000, adjusted (in accordance with regulations promulgated by the Administrator) for changes in the Consumer Price Index for All-Urban Consumers published by the Department of Labor.

''SEC. 704. CARBON DIOXIDE ALLOWANCE TRADING PROGRAM.

''(a) REGULATIONS.—

''(1) IN GENERAL.—Not later than January 1, 2005, the Administrator shall promulgate regulations to establish a carbon dioxide allowance trading program for covered units in the United States.

''(2) REQUIRED ELEMENTS.—Regulations promulgated under paragraph (1) shall establish requirements for the carbon dioxide allowance trading program under this section, including requirements concerning—

''(A)(i) the generation, allocation, issuance, recording, tracking, transfer, and use of carbon dioxide allowances; and

''(ii) the public availability of all information concerning the activities described in clause (i) that is not confidential;

''(B) compliance with subsection (f)(1);

''(C) the monitoring and reporting of emissions under paragraphs (2) and (3) of subsection (f);

''(D) excess emission penalties under subsection (f)(4); and

''(E) standards, guidelines, and procedures concerning the generation, certification, and use of additional carbon dioxide allowances made available under subsection (d).

''(b) NEW UNIT RESERVE.—

''(1) ESTABLISHMENT.—The Administrator shall establish by regulation a reserve of carbon dioxide allowances to be set aside for use by new units and new renewable energy units.

''(2) DETERMINATION OF QUANTITY.—The Administrator, in consultation with the Secretary of Energy, shall determine, based on projections of electricity output for new units and new renewable energy units—

''(A) not later than June 30, 2005, the quantity of carbon dioxide allowances required to be held in reserve for new units and new renewable energy units for each of calendar years 2009 through 2013; and

''(B) not later than June 30 of each fifth calendar year thereafter, the quantity of carbon dioxide allowances required to be held in reserve for new units and renewable energy units for the following 5-calendar year period.

''(c) CARBON DIOXIDE ALLOWANCE ALLOCATION.—

''(1) TIMING OF ALLOCATIONS.—The Administrator shall allocate carbon dioxide allowances to covered units—

''(A) not later than December 31, 2005, for calendar year 2009; and

''(B) not later than December 31 of calendar year 2006 and each calendar year thereafter, for the fourth calendar year that begins after that December 31.

''(2) ALLOCATIONS TO COVERED UNITS THAT ARE NOT NEW UNITS.—

''(A) IN GENERAL.—The Administrator shall allocate to each affected unit that is not a new unit, to each nuclear generating unit with respect to incremental nuclear generation, and to each renewable energy unit that is not a new renewable energy unit, a quantity of carbon dioxide allowances that is equal to the product obtained by multiplying—

''(i) the quantity of carbon dioxide allowances available for allocation under subparagraph (B); and

''(ii) the quotient obtained by dividing—

''(I) the average net quantity of electricity generated by the unit in a calendar year during the most recent 3-calendar year period for which data are available, measured in megawatt hours; and

''(II) the total of the average net quantities described in subclause (I) with respect to all such units.

''(B) QUANTITY TO BE ALLOCATED.—For each calendar year, the quantity of carbon dioxide allowances allocated under subparagraph (A) shall be equal to the difference between—

''(i) the annual tonnage limitation for emissions of carbon dioxide from affected units specified in section 702(d) for the calendar year; and

''(ii) the quantity of carbon dioxide allowances placed in the new unit reserve established under subsection (b) for the calendar year.

''(3) ALLOCATION TO NEW UNITS AND NEW RENEWABLE ENERGY UNITS.—

''(A) METHODOLOGY.—The Administrator shall promulgate regulations to establish a methodology for allocating carbon dioxide allowances to new units and new renewable energy units.

''(B) QUANTITY OF CARBON DIOXIDE ALLOWANCES ALLOCATED.—The Administrator shall determine the quantity of carbon dioxide allowances to be allocated to each new unit and each new renewable energy unit based on the unit's projected share of the total electric power generation attributable to covered units.

''(d) ISSUANCE AND USE OF ADDITIONAL CARBON DIOXIDE ALLOWANCES.—

''(1) IN GENERAL.—

''(A) ALLOWANCES FOR PROJECTS CERTIFIED BY INDEPENDENT REVIEW BOARD.—In addition to carbon dioxide allowances allocated under subsection (c), the Administrator shall make carbon dioxide allowances available to projects that are certified, in accordance with paragraph (3), by the independent review board established under paragraph (2) as eligible to receive the carbon dioxide allowances.

''(B) ALLOWANCES OBTAINED UNDER OTHER PROGRAMS.—The regulations promulgated under subsection (a)(1) shall—

''(i) allow covered units to comply with subsection (f)(1) by purchasing and using carbon dioxide allowances that are traded under any other United States or internationally recognized carbon dioxide reduction program that is specified under clause (ii);

''(ii) specify, for the purpose of clause (i), programs that meet the goals of this section; and

''(iii) apply such conditions to the use of carbon dioxide allowances traded under programs specified under clause (ii) as are necessary to achieve the goals of this section.

''(2) INDEPENDENT REVIEW BOARD.—

''(A) IN GENERAL.—

''(i) ESTABLISHMENT.—The Administrator shall establish an independent review board to assist the Administrator in certifying projects as eligible for carbon dioxide allowances made available under paragraph (1)(A).

''(ii) REVIEW AND APPROVAL.—Each certification by the independent review board of a project shall be subject to the review and approval of the Administrator.

''(iii) REQUIREMENTS.—Subject to this subsection, requirements relating to the creation, composition, duties, responsibilities, and other aspects of the independent review board shall be included in the regulations promulgated by the Administrator under subsection (a).

''(B) MEMBERSHIP.—The independent review board shall be composed of 12 members, of whom—

''(i) 10 members shall be appointed by the Administrator, of whom—

''(I) 1 member shall represent the Environmental Protection Agency (who shall serve as chairperson of the independent review board);

''(II) 3 members shall represent State governments;

''(III) 3 members shall represent the electric generating sector; and

''(IV) 3 members shall represent environmental organizations;

''(ii) 1 member shall be appointed by the Secretary of Energy to represent the Department of Energy; and

''(iii) 1 member shall be appointed by the Secretary of Agriculture to represent the Department of Agriculture.

''(C) STAFF AND OTHER RESOURCES.—The Administrator shall provide such staff and other resources to the independent review board as the Administrator determines to be necessary.

''(D) DEVELOPMENT OF GUIDELINES.—

''(i) IN GENERAL.—The independent review board shall develop guidelines for certifying projects in accordance with paragraph (3), including—

''(I) criteria that address the validity of claims that projects result in the generation of carbon dioxide allowances;

''(II) guidelines for certifying incremental carbon sequestration in accordance with clause (ii); and

''(III) guidelines for certifying geological sequestration of carbon dioxide in accordance with clause (iii).

''(ii) GUIDELINES FOR CERTIFYING INCREMENTAL CARBON SEQUESTRATION.—The guidelines for certifying incremental carbon sequestration in forests, agricultural soil, rangeland, or grassland shall include development, reporting, monitoring, and verification guidelines, to be used in quantifying net carbon sequestration from land use projects, that are based on—

''(I) measurement of increases in carbon storage in excess of the carbon storage that would have occurred in the absence of such a project;

''(II) comprehensive carbon accounting that—

''(aa) reflects net increases in carbon reservoirs; and

''(bb) takes into account any carbon emissions resulting from disturbance of carbon reservoirs in existence as of the date of commencement of the project;

''(III) adjustments to account for—

''(aa) emissions of carbon that may result at other locations as a result of the impact of the project on timber supplies; or

''(bb) potential displacement of carbon emissions to other land owned by the entity that carries out the project; and

''(IV) adjustments to reflect the expected carbon storage over various time periods, taking into account the likely duration of the storage of the carbon stored in a carbon reservoir.

''(iii) GUIDELINES FOR CERTIFYING GEOLOGICAL SEQUESTRATION OF CARBON DIOXIDE.—The guidelines for certifying geological sequestration of carbon dioxide produced by a covered unit shall—

''(I) provide that a project shall be certified only to the extent that the geological sequestration of carbon dioxide produced by a covered unit is in addition to any carbon dioxide used by the covered unit in 2009 for enhanced oil recovery; and

''(II) include requirements for development, reporting, monitoring, and verification for quantifying net carbon sequestration—

''(aa) to ensure the permanence of the sequestration; and

''(bb) to ensure that the sequestration will not cause or contribute to significant adverse effects on the environment.

''(iv) DEADLINES FOR DEVELOPMENT.—The guidelines under clause (i) shall be developed—

''(I) with respect to projects described in paragraph (3)(A), not later than January 1, 2005; and

''(II) with respect to projects described in paragraph (3)(B), not later than January 1, 2006.

''(v) UPDATING OF GUIDELINES.—The independent review board shall periodically update the guidelines as the independent review board determines to be appropriate.

''(E) CERTIFICATION OF PROJECTS.—

''(i) IN GENERAL.—Subject to clause (ii), subparagraph (A)(ii), and paragraph (3), the independent review board shall certify projects as eligible for additional carbon dioxide allowances.

''(ii) LIMITATION.—The independent review board shall not certify a project under this subsection if the carbon dioxide emission reductions achieved by the project will be used to satisfy any requirement imposed on any foreign country or any industrial sector to reduce the quantity of greenhouse gases emitted by the foreign country or industrial sector.

''(3) PROJECTS ELIGIBLE FOR ADDITIONAL CARBON DIOXIDE ALLOWANCES.—

''(A) PROJECTS CARRIED OUT IN CALENDAR YEARS 1990 THROUGH 2008.—

''(i) IN GENERAL.—The independent review board may certify as eligible for carbon dioxide allowances a project that—

''(I) is carried out on or after January 1, 1990, and before January 1, 2009; and

''(II) consists of—

''(aa) a carbon sequestration project carried out in the United States or a foreign country;

''(bb) a project reported under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)); or

''(cc) any other project to reduce emissions of greenhouse gases that is carried out in the United States or a foreign country.

''(ii) MAXIMUM QUANTITY OF ADDITIONAL CARBON DIOXIDE ALLOWANCES.—The Administrator may make available to projects certified under clause (i) a quantity of allowances that is not greater than 10 percent of the tonnage limitation for calendar year 2009 for emissions of carbon dioxide from affected units specified in section 702(d)(1).

''(iii) USE OF ALLOWANCES.—Allowances made available under clause (ii) may be used to comply with subsection (f)(1) in calendar year 2009 or any calendar year thereafter.

''(B) PROJECTS CARRIED OUT IN CALENDAR YEAR 2009 AND THEREAFTER.—The independent review board may certify as eligible for carbon dioxide allowances a project that—

''(i) is carried out on or after January 1, 2009; and

''(ii) consists of—

''(I) a carbon sequestration project carried out in the United States or a foreign country; or

''(II) a project to reduce the greenhouse gas emissions (on a carbon dioxide equivalency basis determined by the independent review board) of a source of greenhouse gases that is not an affected unit.

''(e) CARBON DIOXIDE ALLOWANCE TRANSFER SYSTEM.—

''(1) USE OF ALLOWANCES.—The regulations promulgated under subsection (a)(1) shall—

''(A) prohibit the use (but not the transfer in accordance with paragraph (3)) of any carbon dioxide allowance before the calendar year for which the carbon dioxide allowance is allocated;

''(B) provide that unused carbon dioxide allowances may be carried forward and added to carbon dioxide allowances allocated for subsequent years;

''(C) provide that unused carbon dioxide allowances may be transferred by—

''(i) the person to which the carbon dioxide allowances are allocated; or

''(ii) any person to which the carbon dioxide allowances are transferred; and

''(D) provide that carbon dioxide allowances allocated and transferred under this section may be transferred into any other market-based carbon dioxide emission trading program that is—

''(i) approved by the President; and

''(ii) implemented in accordance with regulations developed by the Administrator or the head of any other Federal agency.

''(2) USE BY PERSONS TO WHICH CARBON DIOXIDE ALLOWANCES ARE TRANSFERRED.—Any person to which carbon dioxide allowances are transferred under paragraph (1)(C)—

''(A) may use the carbon dioxide allowances in the calendar year for which the carbon dioxide allowances were allocated, or in a subsequent calendar year, to demonstrate compliance with subsection (f)(1); or

''(B) may transfer the carbon dioxide allowances to any other person for the purpose of demonstration of that compliance.

''(3) CERTIFICATION OF TRANSFER.—A transfer of a carbon dioxide allowance shall not take effect until a written certification of the transfer, authorized by a responsible official of the person making the transfer, is received and recorded by the Administrator.

''(4) PERMIT REQUIREMENTS.—An allocation or transfer of carbon dioxide allowances to a covered unit, or for a project carried out on behalf of a covered unit, under subsection (c) or (d) shall, after recording by the Administrator, be considered to be part of the federally enforceable permit of the covered unit under this Act, without a requirement for any further review or revision of the permit.

''(f) COMPLIANCE AND ENFORCEMENT.—

''(1) IN GENERAL.—For calendar year 2009 and each calendar year thereafter—

''(A) the operator of each affected unit and each renewable energy unit shall surrender to the Administrator a quantity of carbon dioxide allowances that is equal to the total tons of carbon dioxide emitted by the affected unit or renewable energy unit during the calendar year; and

''(B) the operator of each nuclear generating unit that has incremental nuclear generation shall surrender to the Administrator a quantity of carbon dioxide allowances that is equal to the total tons of carbon dioxide emitted by the nuclear generating unit during the calendar year from incremental nuclear generation.

''(2) MONITORING SYSTEM.—The Administrator shall promulgate regulations requiring the accurate monitoring of the quantity of carbon dioxide that is emitted at each covered unit.

''(3) REPORTING.—

''(A) IN GENERAL.—Not less often than quarterly, the owner or operator of a covered unit, or a person that carries out a project certified under subsection (d) on behalf of a covered unit, shall submit to the Administrator a report on the monitoring of carbon dioxide emissions carried out at the covered unit in accordance with the regulations promulgated under paragraph (2).

''(B) AUTHORIZATION.—Each report submitted under subparagraph (A) shall be authorized by a responsible official of the covered unit, who shall certify the accuracy of the report.

''(C) PUBLIC REPORTING.—The Administrator shall make available to the public, through 1 or more published reports and 1 or more forms of electronic media, data concerning the emissions of carbon dioxide from each covered unit.

''(4) EXCESS EMISSIONS.—

''(A) IN GENERAL.—The owner or operator of a covered unit that emits carbon dioxide in excess of the carbon dioxide allowances that the owner or operator holds for use for the covered unit for the calendar year shall—

''(i) pay an excess emissions penalty determined under subparagraph (B); and

''(ii) offset the excess emissions by an equal quantity in the following calendar year or such other period as the Administrator shall prescribe.

''(B) DETERMINATION OF EXCESS EMISSIONS PENALTY.—The excess emissions penalty shall be equal to the product obtained by multiplying—

''(i) the number of tons of carbon dioxide emitted in excess of the total quantity of carbon dioxide allowances held; and

''(ii) $100, adjusted (in accordance with regulations promulgated by the Administrator) for changes in the Consumer Price Index for All-Urban Consumers published by the Department of Labor.

''(g) ALLOWANCE NOT A PROPERTY RIGHT.—A carbon dioxide allowance—

''(1) is not a property right; and

''(2) may be terminated or limited by the Administrator.

''(h) NO JUDICIAL REVIEW.—An allocation of carbon dioxide allowances by the Administrator under subsection (c) or (d) shall not be subject to judicial review.''.

SEC. 4. NEW SOURCE REVIEW PROGRAM.

Section 165 of the Clean Air Act (42 U.S.C. 7475) is amended by adding at the end the following:

''(f) REVISIONS TO NEW SOURCE REVIEW PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) COVERED UNIT.—The term 'covered unit' has the meaning given the term in section 701.

''(B) NEW SOURCE REVIEW PROGRAM.—The term 'new source review program' means the program to carry out section 111 and this part.

''(2) REGULATIONS.—In accordance with this subsection, the Administrator shall promulgate regulations revising the new source review program.

''(3) APPLICABILITY CRITERIA.—Beginning January 1, 2009, the new source review program shall apply only to—

''(A) construction of a new covered unit (which construction shall include the replacement of an existing boiler); and

''(B) an activity that results in any increase in the maximum hourly rate of emissions from a covered unit of air pollutants regulated under the new source review program (measured in pounds per megawatt hour), after netting among covered units at a source.

''(4) PERFORMANCE STANDARDS.—Beginning in 2020, each affected unit (as defined in section 701(1)(B)) on which construction commenced before August 17, 1971, shall meet performance standards of—

''(A) 4.5 lbs/MWh for sulfur dioxide; and

''(B) 2.5 lbs/MWh for nitrogen oxides.

''(5) BIENNIAL IDENTIFICATION OF BEST AVAILABLE CONTROL TECHNOLOGIES AND LOWEST ACHIEVABLE EMISSION RATES.—Notwithstanding the definitions of 'best available control technology' under section 169 and 'lowest achievable emission rate' under section 171, the Administrator shall identify the best available control technologies and lowest achievable emission rates, on a biennial basis, as those rates and technologies apply to covered units.

''(6) REVISION OF LOWEST ACHIEVABLE EMISSION RATE WITH RESPECT TO CONSIDERED COSTS.—

''(A) IN GENERAL.—Notwithstanding the definition of 'lowest achievable emission rate' under section 171, with respect to technology required to be installed by the electric generating sector, costs may be considered in the determination of the lowest achievable emission rate, so that, beginning January 1, 2009, a covered unit (as defined in section 701) shall not be required to install technology required to meet a lowest achievable emission rate if the cost of the technology exceeds the maximum amount determined under subparagraph (B).

''(B) MAXIMUM AMOUNT OF COST.—The maximum amount referred to in subparagraph (A) shall be an amount (in dollars per ton) that—

''(i) is determined by the Administrator; but

''(ii) does not exceed an amount equal to twice the amount of the applicable cost guideline for best available control technology.

''(7) EMISSION OFFSETS.—No source within the electric generating sector that locates in a nonattainment area after December 31, 2008, shall be required to obtain offsets for emissions of air pollutants.

''(8) ADVERSE LOCAL AIR QUALITY IMPACTS.—The regulations shall require each State—

''(A) to identify areas in the State that adversely affect local air quality; and

''(B) to impose such facility-specific and other measures as are necessary to remedy the adverse effects in accordance with the national pollutant tonnage limitations under section 702.

''(9) NO EFFECT ON OTHER REQUIREMENTS.—Nothing in this subsection affects the obligation of any State or local government to comply with the requirements established under this section concerning—

''(A) national ambient air quality standards;

''(B) maximum allowable air pollutant increases or maximum allowable air pollutant concentrations; or

''(C) protection of visibility and other air quality-related values in areas designated as class I areas under part C of title I.''.

SEC. 5. REVISIONS TO SULFUR DIOXIDE ALLOWANCE PROGRAM.

(a) IN GENERAL.—Title IV of the Clean Air Act (relating to acid deposition control) (42 U.S.C. 7651 et seq.) is amended by adding at the end the following:

''SEC. 417. REVISIONS TO SULFUR DIOXIDE ALLOWANCE PROGRAM.

''(a) DEFINITIONS.—In this section, the terms 'affected unit' and 'new unit' have the meanings given the terms in section 701.

''(b) REGULATIONS.—Not later than January 1, 2004, the Administrator shall promulgate such revisions to the regulations to implement this title as the Administrator determines to be necessary to implement section 702(a).

''(c) NEW UNIT RESERVE.—

''(1) ESTABLISHMENT.—Subject to the annual tonnage limitation for emissions of sulfur dioxide from affected units specified in section 702(a), the Administrator shall establish by regulation a reserve of allowances to be set aside for use by new units.

''(2) DETERMINATION OF QUANTITY.—The Administrator, in consultation with the Secretary of Energy, shall determine, based on projections of electricity output for new units—

''(A) not later than June 30, 2005, the quantity of allowances required to be held in reserve for new units for each of calendar years 2009 through 2013; and

''(B) not later than June 30 of each fifth calendar year thereafter, the quantity of allowances required to be held in reserve for new units for the following 5-calendar year period.

''(3) ALLOCATION.—

''(A) REGULATIONS.—The Administrator shall promulgate regulations to establish a methodology for allocating allowances to new units.

''(B) NO JUDICIAL REVIEW.—An allocation of allowances by the Administrator under this subsection shall not be subject to judicial review.

''(d) EXISTING UNITS.—

''(1) ALLOCATION.—

''(A) REGULATIONS.—Subject to the annual tonnage limitation for emissions of sulfur dioxide from affected units specified in section 702(a), and subject to the reserve of allowances for new units under subsection (c), the Administrator shall promulgate regulations to govern the allocation of allowances to affected units that are not new units.

''(B) REQUIRED ELEMENTS.—The regulations shall provide for—

''(i) the allocation of allowances on a fair and equitable basis between affected units that received allowances under section 405 and affected units that are not new units and that did not receive allowances under that section, using for both categories of units the same or similar allocation methodology as was used under section 405; and

''(ii) the pro-rata distribution of allowances to all units described in clause (i), subject to the annual tonnage limitation for emissions of sulfur dioxide from affected units specified in section 702(a).

''(2) TIMING OF ALLOCATIONS.—The Administrator shall allocate allowances to affected units—

''(A) not later than December 31, 2005, for calendar year 2009; and

''(B) not later than December 31 of calendar year 2006 and each calendar year thereafter, for the fourth calendar year that begins after that December 31.

''(3) NO JUDICIAL REVIEW.—An allocation of allowances by the Administrator under this subsection shall not be subject to judicial review.

''(e) WESTERN REGIONAL AIR PARTNERSHIP.—

''(1) DEFINITIONS.—In this subsection:

''(A) COVERED STATE.—The term 'covered State' means each of the States of Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, and Wyoming.

''(B) COVERED YEAR.—The term 'covered year' means—

''(i)(I)(aa) the third calendar year after the first calendar year in which the Administrator determines by regulation that the total of the annual emissions of sulfur dioxide from all affected units in the covered States is projected to exceed 271,000 tons in calendar year 2018 or any calendar year thereafter; but

''(bb) not earlier than calendar year 2016; or

''(II) if the Administrator does not make the determination described in subclause (I)(aa)—

''(aa) the third calendar year after the first calendar year with respect to which the total of the annual emissions of sulfur dioxide from all affected units in the covered States first exceeds 271,000 tons; but

''(bb) not earlier than calendar year 2021; and

''(ii) each calendar year after the calendar year determined under clause (i).

''(2) MAXIMUM EMISSIONS OF SULFUR DIOXIDE FROM EACH AFFECTED UNIT.—In each covered year, the emissions of sulfur dioxide from each affected unit in a covered State shall not exceed the number of allowances that are allocated under paragraph (3) and held by the affected unit for the covered year.

''(3) ALLOCATION OF ALLOWANCES.—

''(A) IN GENERAL.—Not later than January 1, 2013, the Administrator shall promulgate regulations to establish—

''(i) a methodology for allocating allowances to affected units in covered States under this subsection; and

''(ii) the timing of the allocations.

''(B) NO JUDICIAL REVIEW.—An allocation of allowances by the Administrator under this paragraph shall not be subject to judicial review.''.

(b) DEFINITION OF ALLOWANCE.—Section 402 of the Clean Air Act (relating to acid deposition control) (42 U.S.C. 7651a) is amended by striking paragraph (3) and inserting the following:

''(3) ALLOWANCE.—The term 'allowance' means an authorization, allocated by the Administrator to an affected unit under this title, to emit, during or after a specified calendar year, a quantity of sulfur dioxide determined by the Administrator and specified in the regulations promulgated under section 417(b).''.

(c) TECHNICAL AMENDMENTS.—

(1) Title IV of the Clean Air Act (relating to noise pollution) (42 U.S.C. 7641 et seq.)—

(A) is amended by redesignating sections 401 through 403 as sections 801 through 803, respectively; and

(B) is redesignated as title VIII and moved to appear at the end of that Act.

(2) The table of contents for title IV of the Clean Air Act (relating to acid deposition control) (42 U.S.C. prec. 7651) is amended by adding at the end the following:

''Sec. 417. Revisions to sulfur dioxide allowance program.''.

SEC. 6. AIR QUALITY FORECASTS AND WARNINGS.

(a) REQUIREMENT FOR FORECASTS AND WARNINGS.—The Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration, in cooperation with the Administrator of the Environmental Protection Agency, shall issue air quality forecasts and air quality warnings as part of the mission of the Department of Commerce.

(b) REGIONAL WARNINGS.—In carrying out subsection (a), the Secretary of Commerce shall establish within the National Oceanic and Atmospheric Administration a program to provide region-oriented forecasts and warnings regarding air quality for each of the following regions of the United States:

(1) The Northeast, composed of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.

(2) The Mid-Atlantic, composed of Delaware, the District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia.

(3) The Southeast, composed of Alabama, Florida, Georgia, North Carolina, and South Carolina.

(4) The South, composed of Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.

(5) The Midwest, composed of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.

(6) The High Plains, composed of Kansas, Nebraska, North Dakota, and South Dakota.

(7) The Northwest, composed of Idaho, Montana, Oregon, Washington, and Wyoming.

(8) The Southwest, composed of Arizona, California, Colorado, New Mexico, Nevada, and Utah.

(9) Alaska.

(10) Hawaii.

(c) PRIORITY AREA.—In establishing the program described in subsection (a), the Secretary of Commerce and the Administrator shall identify and expand, to the maximum extent practicable, Federal air quality forecast and warning programs in effect as of the date of establishment of the program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 7. RELATIONSHIP TO OTHER LAW.

(a) EXEMPTION FROM HAZARDOUS AIR POLLUTANT REQUIREMENTS RELATING TO MERCURY.—Section 112 of the Clean Air Act (42 U.S.C. 7412) is amended—

(1) in subsection (f), by adding at the end the following:

''(7) MERCURY EMITTED FROM CERTAIN AFFECTED UNITS.—Not later than 8 years after the date of enactment of this paragraph, the Administrator shall carry out the duties of the Administrator under this subsection with respect to mercury emitted from affected units (as defined in section 701).''; and

(2) in subsection (n)(1)(A)—

(A) by striking ''(A) The Administrator'' and inserting the following:

''(A) STUDY, REPORT, AND REGULATIONS.—

''(i) STUDY AND REPORT TO CONGRESS.—The Administrator'';

(B) by striking ''The Administrator'' in the fourth sentence and inserting the following:

''(ii) REGULATIONS.—

''(I) IN GENERAL.—The Administrator''; and

(C) in clause (ii) (as designated by subparagraph (B)), by adding at the end the following:

''(II) EXEMPTION FOR CERTAIN AFFECTED UNITS RELATING TO MERCURY.—An affected unit (as defined in section 701) that would otherwise be subject to mercury emission standards under subclause (I) shall not be subject to mercury emission standards under subclause (I) or subsection (c).''.

(b) TEMPORARY EXEMPTION FROM VISIBILITY PROTECTION REQUIREMENTS.—Section 169A(c) of the Clean Air Act (42 U.S.C. 7491(c)) is amended—

(1) in paragraph (3), by striking ''this subsection'' and inserting ''paragraph (1)''; and

(2) by adding at the end the following:

''(4) TEMPORARY EXEMPTION FOR CERTAIN AFFECTED UNITS.—An affected unit (as defined in section 701) shall not be subject to subsection (b)(2)(A) during the period—

''(A) beginning on the date of enactment of this paragraph; and

''(B) ending on the date that is 20 years after the date of enactment of this paragraph.''.

(c) NO EFFECT ON OTHER FEDERAL AND STATE REQUIREMENTS.—Except as otherwise specifically provided in this Act, nothing in this Act or an amendment made by this Act—

(1) affects any permitting, monitoring, or enforcement obligation of the Administrator of the Environmental Protection Agency under the Clean Air Act (42 U.S.C. 7401 et seq.) or any remedy provided under that Act;

(2) affects any requirement applicable to, or liability of, an electric generating facility under that Act;

(3) requires a change in, affects, or limits any State law that regulates electric utility rates or charges, including prudency review under State law; or

(4) precludes a State or political subdivision of a State from adopting and enforcing any requirement for the control or abatement of air pollution, except that a State or political subdivision may not adopt or enforce any emission standard or limitation that is less stringent than the requirements imposed under that Act.

Mr. CHAFEE. Mr. President, I am pleased to join with Senator CARPER today to introduce the Clean Air Planning Act of 2003. Congress needs to advance four-pollutant legislation that offers the best chance for broad bipartisan support, and I believe this bill meets that test. The testimony received through hearings in the Environment and Public Works Committee over the past several years has clearly outlined the need for controlling the major emissions from power plants—sulfur dioxide, nitrogen oxide, mercury and carbon dioxide—while at the same time recognizing the added costs of these new controls. We know through experience that we will only be successful at passing legislation if we find middle ground.

The parameters of this debate have been established. Some will say this bill doesn't go far enough in some respects. Others will say the legislation goes too far, especially as it pertains to the mandatory control of carbon dioxide emissions. However, the relationship of fossil fuels to global warming is clear and scientifically validated. The ''U.S. Climate Action Report 2002'' released by the administration last May tells us we need to take real actions to address the problem. The longer we wait, the harder this problem will be to solve. The Rio Convention is a perfect example of why waiting is not reasonable. In 1992, we agreed to voluntarily reduce harmful emissions to 1990 levels. It didn't happen. Now, in 2003 we are told that reductions to 1990 levels will stall the economy. If we wait much longer before taking any action, imagine how much harder it will be to achieve real reductions without harming the economy.

The legislation we are introducing today would achieve significant reductions in a more cost effective way than other proposals. For sulfur dioxide, nitrogen oxide, and mercury, we will establish emissions caps that are superior to reductions that will be achieved under the existing Clean Air Act. In addition, for the first time, we will ensure real reductions of carbon dioxide emissions are achieved. By 2013, the utility sector will be required to reduce carbon dioxide emissions to 2001 levels. This proposal will allow the United States to address carbon pollution for the first time and, when compared to a three-pollutant bill, at very small incremental costs.

I believe that the Carper-Chafee bill offers a real opportunity to break the stalemate that exists today and begin an honest debate that will eventually lead to enactment of strong legislation. I look forward to working with all of my colleagues as we move forward to pass a bill that enjoys the broadest support and adequately addresses the serious health, environmental, and economic issues facing the Nation.

By Mr. CRAPO (for himself, Ms. MURKOWSKI, Mr. ENZI, Mr. ALLARD, Mr. KYL, and Mr. CRAIG):

S. 844. A bill to subject the United States to imposition of fees and costs in proceedings relating to State water rights adjudications; to the Committee on the Judiciary.

Mr. CRAPO. Mr. President, I rise to introduce the Water Adjudication Fee Fairness Act. This bill would require the Federal Government to pay the same filing fees and costs associated with state water rights adjudications as is currently required of States and private parties.

To establish relative rights to water—water that is the lifeblood of many States, particularly in the West—States must conduct lengthy, complicated, and expensive proceedings in water rights' adjudications. In 1952, Congress recognized the necessity and benefit of requiring Federal claims to be adjudicated in these State proceedings by adopting the McCarran Amendment. The McCarran Amendment waives the sovereign immunity of the United States and requires the Federal Government to submit to State court jurisdiction and to file water rights' claims in State general adjudication proceedings.

These Federal claims are typically among the most complicated and largest of claims in State adjudications, and Federal agencies are often the primary beneficiary of adjudication proceedings where states officially quantify and record their water rights. However, in 1992, the United States Supreme Court held that, under existing law, the U.S. need not pay fees for processing Federal claims.

When the United States does not pay a proportionate share of the costs associated with adjudications, the burden of funding the proceedings unfairly shifts to other water users and often delays completion of the adjudications by diminishing the resources necessary to complete them. Delays in completing adjudications result in the inability to protect private and public property interests or determine how much unappropriated water may remain to satisfy important environmental and economic development priorities.

Additionally, because they are not subject to fees and costs like other water users in the adjudication, Federal agencies can file questionable claims without facing court costs, inflating the number of their claims for future negotiation purposes. This creates an unlevel playing field favoring the Federal agencies and places a further financial and resources burden on the system.

I recognize the Federal Government has a legitimate right to some water rights; however, the Federal Government should play by the same rules as the States and other private users. The Water Adjudication Fee Fairness Act is legislation that remedies this situation by subjecting the United States, when party to a general adjudication, to the same fees and costs as State and private users in water rights adjudications.

This measure has the full support of the Western States Water Council and the Western Governor's Association. I ask my colleagues to join me in supporting water users, taxpayers, the States, and welcome their co-sponsorship.

By Mr. GRAHAM of Florida (for himself, Mr. CHAFEE, Mr. MCCAIN, Mr. DASCHLE, Mr. JEFFORDS, Mr. BINGAMAN, Mrs. LINCOLN, Ms. COLLINS, Mr. KENNEDY, Mrs. LANDRIEU, Mrs. BOXER, Mr. KERRY, and Mr. NELSON of Florida):

S. 845. A bill to amend title XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance programs; to the Committee on Finance.

Mr. GRAHAM of Florida. Mr. President, I rise today with my friend and colleague from Rhode Island, Mr. CHAFEE, and a bipartisan group of cosponsors to introduce the Immigrant Children's Health Improvement Act of 2003.

This legislation will give states the option to provide Medicaid and State Children's Health Insurance Program, CHIP, coverage to legal immigrant children and pregnant women during their first five years in this country.

Medicaid and CHIP are vital components of our nation's health care safety net. They provide coverage to over 40 million non-elderly, low-income Americans, most of them children. These programs have helped dramatically reduce infant mortality, and they have provided health care financing for millions of poor children whose families cannot afford the high cost of private health insurance.

However, for many low-income families that are eligible for Medicaid and CHIP, these safety net programs are little more than a mirage in a desert—an illusion to those who need them most. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as the welfare reform law, arbitrarily barred states from using federal funds to provide health coverage to low-income legal immigrants during their first five years in the United States. While the goal of welfare reform was to encourage self-sufficiency in adults, the legislation unintentionally punished children.

Prior to 1996, Medicaid coverage was available to qualified children, parents,

seniors, and people with disabilities in both citizen and legal immigrant families alike. After passage of the 1996 welfare reform law, many low-income and working legal immigrant families were left without a viable option for health insurance coverage.

In fact, while the percentage of our nation's children with health insurance has risen in recent years, the percentage of children in immigrant families with health insurance has fallen. According to the Kaiser Commission on Medicaid and the Uninsured, in 2000, half of low-income children in such families were uninsured.

Florida is home to over half a million uninsured children, many of whom are legal immigrants. Take the Sardinas family of Miami.

The Sardinas family immigrated to the United States from Cuba in 2001. Mr. Sardinas works in a factory assembling airplanes while Mrs. Sardinas maintains a low-wage job. The family's four children—Swani, 17; Sinai, 13; Samuel, 8; and Sentia, 5—have been on a State waiting list for health insurance for almost two years. Sentia has allergies and Swani suffers from asthma. Mrs. Sardinas worries about not having access to regular check-ups for her children, but she has no choice. She does not know what the family will do if Sentia has a severe allergic reaction or Swani is hospitalized after an asthma attack.

The Immigrant Children's Health Improvement Act eliminates the arbitrary designation of August 22, 1996, as a cutoff date for allowing children to get health care. More than 155,000 children like Swani, Sinai, Samuel, and Sentia will have access to health coverage each year, allowing them to receive preventive services, have their chronic conditions properly diagnosed and treated, and receive timely care for acute conditions.

States have asked for this option. In its 2003 Winter Policy Report, the National Governors Association endorsed this common-sense policy proposal. The National Council of State Legislators has also endorsed this bill.

Twenty-two States are already providing health coverage for legal immigrants through State-funded replacement programs. However, severe budget shortfalls may prevent such states from being able to continue these important programs in the future. Our bill provides immediate fiscal relief for these States by allowing them to draw down federal matching funds. It also gives states that are not currently providing health coverage to legal immigrant children and pregnant women the flexibility to do so.

Legal immigrants pay taxes, serve in the military, and have the same social obligations as United States citizens. Legal immigrant children are, as much as citizen children, the next generation of Americans. It is important that all children, both citizen children and legal immigrant children alike, start off on the right foot towards full civil participation.

Our bill is supported by Senators MCCAIN, DASCHLE, JEFFORDS, BINGAMAN, LINCOLN, COLLINS, KENNEDY, FEINSTEIN, CORZINE, LEVIN, SARBANES, DODD, LANDRIEU, BOXER, KERRY, and BILL NELSON.

Representatives LINCOLN DIAZ-BALART of Florida and HENRY WAXMAN of California have also introduced bipartisan companion legislation in the House.

We call upon Congress and the President to act this year and pass this important bill.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator GRAHAM and Senator CHAFEE in introducing the Immigrant Children's Health Insurance Act, which will benefit tens of thousands of immigrant children and families across the Nation.

The 1996 welfare reform legislation disqualified legal, taxpaying immigrants from major Federal assistance programs, including health coverage through Medicaid and the State Children's Health Insurance Program. As a result, many of these individuals and families go without needed care or rely on hospital emergency rooms for their care.

This bill will enable States to provide health insurance coverage for legal immigrant children and pregnant women under Medicaid and SCHIP. This is an important step in alleviating the health disparities that exist for immigrant children. Research shows that children of immigrant are twice as likely to be uninsured as children of U.S. citizens. They are more than three times as likely not to have regular care, and more than twice as likely to be in fair or poor health. Enacting this legislation will help to eliminate these inequalities.

This bill will also help to reduce the number of uninsured in our country. Today, there are 42 million uninsured, and 10 million are children. Most of the uninsured are earning incomes below or near the poverty line, and can't afford the high cost of private insurance. The 1996 legislation barring legal immigrants from federally funded health care has contributed to the increase in the number of uninsured. The Congressional Budget Office estimates that this bill will cover an additional 155,000 children and 06,000 pregnant women this year alone.

Throughout our history, immigrants have made important contributions to our country. They work hard, pay taxes, and play by the rules. In fact, immigrants and their children make significant contributions to our long-term economic well-being by adding an estimated $10 billion annually to our economy. However, they are disproportionately employed in low-wage, low-benefit jobs, and are more likely to be uninsured. This bill will enable legal immigrant families to receive the services they are paying for as taxpayers. It is a matter of basic fairness.

The bill makes good economic sense, as well. Twenty-six states and the District of Columbia already use their own State funds to provide medical coverage for legal immigrants, but continuing these programs is becoming increasingly difficult as state budget constraints worsen. In fact, Massachusetts, which currently provides health coverage at State expense, is proposing to eliminate Medicaid for adult immigrants. Allowing States to use Federal funds to support their health care initiatives will provide needed fiscal relief, and ensure that these children receive a health start.

Both good nutrition and adequate health care are fundamental for health child development. Last year, with President Bush's support, Congress restored food stamp benefits to legal immigrants in the farm bill. It is long past time for Congress to guarantee that legal immigrants also have access to health care.

America has a proud tradition of welcoming immigrants, and we must live up to our history and heritage as a nation of immigrants. Restoring these health benefits will ensure that children in immigrant families have the same opportunities for good health as every other child in the Nation. The Immigrant Children's Health Insurance Act is a needed step to achieve this goal, and I urge my colleagues to support this important legislation.

By Mr. SMITH (for himself and Mrs. LINCOLN):

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance, and for other purposes; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today with my Finance Committee colleague, Senator LINCOLN, to introduce the The Mortgage Insurance Fairness Act. This legislation will extend the mortgage interest tax deduction to mortgage insurance payment premiums, both government and private. It will make mortgage insurance payments tax-deductible and will boost homeownership in Oregon and across the Nation, for those lower-income, minority and veteran borrowers that typically need mortgage insurance to purchase a home.

It is widely recognized that homeownership helps create stable and safe communities. Thus, the Federal Government has long sought to increase homeownership. The Bush Administration has announced a target of 5.5 million new homeowners by the year 2010. To achieve that goal, groups that have typically had difficulty purchasing homes—young people, low-income families, members of minority groups—must be able to participate in the housing market.

Government and private mortgage insurance programs help first-time, low-income and veteran borrowers afford to purchase a home. The Veterans Affairs, VA, Federal Housing Authority, FHA, Regional Housing Authority, RHA, and Private Mortgage Insurance,

PMI, programs allow buyers to make a down payment of 3 percent or less of the appraised value. Mortgage insurance is a critical factor in allowing middle-income families and minorities to become homeowners. In Oregon, more than 137,000 families held mortgages with either FHA or private mortgage insurance at the end of 2002 and insured mortgages covered 25 percent of home purchase loans originating in 2001. Sixty-two percent of the insured home purchases in Oregon in 2001 were low-income borrowers. The Mortgage Insurance Fairness Act will bring tax relief to those who need it the most.

In 2001, nationwide, mortgage insurance covered 57 percent percent of mortgage purchase loans made to African American and Hispanic borrowers and 54 percent percent of the loans to borrowers with incomes below the median income. The people who use mortgage insurance are regular working families who live in every community throughout the country. Currently, twelve million American families use mortgage insurance.

Presidently, these borrowers cannot deduct the cost of their mortgage insurance payments for Federal tax purposes. If mortgage insurance payments were made deductible, the cost of homeownership would be further reduced for these borrowers, enabling new buyers to get into a home that they might not have been able to afford. It is estimated that the Mortgage Insurance Fairness Act would increase the number of homeowners by 300,000 per year.

Extending the tax deduction for home mortgage interest payments to mortgage insurance payments will significantly contribute to making the American dream of owning a home come true for many more of our citizens. I urge my colleagues to support this important bi-partisan legislation and join us in working towards its enactment at the earliest opportunity this year. I ask unanimous consent that the text of this legislation be printed in the RECORD.

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

S. 846

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 ''Mortgage Insurance Fairness Act''.

SEC. 2. PREMIUMS FOR MORTGAGE INSURANCE.

(a) IN GENERAL.—Paragraph (3) of section 163(h) of the Internal Revenue Code of 1986 (relating to qualified residence interest) is amended by adding after subparagraph (D) the following new subparagraph:

''(E) MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.—

''(i) IN GENERAL.—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this subsection as qualified residence interest.

''(ii) PHASEOUT.—The amount otherwise allowable as a deduction under clause (i) shall be reduced (but not below zero) by 10 percent of such amount for each $1,000 ($500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer's adjusted gross income for the taxable year exceeds $100,000 ($50,000 in the case of a married individual filing a separate return).''.

(b) DEFINITION AND SPECIAL RULES.—Paragraph (4) of section 163(h) of the Internal Revenue Code of 1986 (relating to other definitions and special rules) is amended by adding at the end the following new subparagraphs:

''(E) QUALIFIED MORTGAGE INSURANCE.—The term 'qualified mortgage insurance' means—

''(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and

''(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).

''(F) SPECIAL RULES FOR PREPAID QUALIFIED MORTGAGE INSURANCE.—Any amount paid by the taxpayer for qualified mortgage insurance that is properly allocable to any mortgage the payment of which extends to periods that are after the close of the taxable year in which such amount is paid shall be chargeable to capital account and shall be treated as paid in such periods to which so allocated. No deduction shall be allowed for the unamortized balance of such account if such mortgage is satisfied before the end of its term. The preceding sentences shall not apply to amounts paid for qualified mortgage insurance provided by the Veterans Administration or the Rural Housing Administration.''.

SEC. 3. INFORMATION RETURNS RELATING TO MORTGAGE INSURANCE.

Section 6050H of the Internal Revenue Code of 1986 (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end the following new subsection:

''(h) RETURNS RELATING TO MORTGAGE INSURANCE PREMIUMS.—

''(1) IN GENERAL.—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives from any individual premiums for mortgage insurance aggregating $600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form, shall be made at such time, and shall contain such information as the Secretary may prescribe.

''(2) STATEMENT TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished on or before January 31 of the year following the calendar year for which the return under paragraph (1) was required to be made.

''(3) SPECIAL RULES.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (c) shall apply, and

''(B) the term 'mortgage insurance' means—

''(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and

''(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).''.

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to amounts paid or accrued after the date of enactment of this Act in taxable years ending after such date.

By Mr. SMITH (for himself, Mrs. CLINTON, Ms. COLLINS, Mr. BINGAMAN, Ms. CANTWELL, Mr. CORZINE, Mrs. FEINSTEIN, Ms. LANDRIEU, Mrs. MURRAY, and Mr. WYDEN):

S. 847. A bill to amend title XIX of the Social Security Act to permit States the option to provide Medicaid coverage for low income individuals infected with HIV; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today to introduce the Early Treatment for HIV Act, ETHA, of 2003. Senator CLINTON joins me in introducing this bill, and I want to thank her for her steadfast support for people living with HIV. HIV knows no party affiliation, and I am pleased to say that ETHA cosponsors sit on both sides of the aisle.

Simply stated, ETHA gives States the opportunity to extend Medicaid coverage to low-income, HIV-positive individuals before they develop full-blown AIDS. Today, the unfortunate reality is that AIDS must disable most patients before they can qualify for Medicaid coverage. We can do better, and we should do everything possible to ensure that all people living with HIV can get early, effective medical care.

Current HIV treatments are very successful in delaying the progression from HIV infection to AIDS, and help improve the health and quality of life for millions of people living with the disease. That is why it was so devastating for people in Oregon when, just a few weeks ago, the state announced that its Medically Needy program ran out of money, and that many patients, including those living with HIV, would have to go elsewhere for their treatments. The fact of the matter is that safety net programs all over the country are running out of money, and are generally unable to cover all of the people who need paying for their medical care. As other programs are failing, ETHA gives States another way to reach out to low-income, HIV-positive individuals.

Importantly, ETHA also offers states an enhanced Federal Medicaid match, which means more money for States that invest in treatments for HIV. This provision models the successful Breast and Cervical Cancer Treatment and Prevention Act of 2000, which allows states to provide early Medicaid intervention to women with breast and cervical cancer. Even in these difficult times, forty-five states are now offering early Medicaid coverage to women with breast and cervical cancer. We can build upon this success by passing ETHA and extending similar early intervention treatments to people with HIV.

HIV/AIDS touches the lives of millions of people living in every State in

the Union. Some get the proper medications, and too many do not. This is literally a life and death issue, and ETHA can help many more Americans enjoy long, healthy lives.

I want to thank Senators COLLINS, BINGAMAN, CANTWELL, CORZINE, FEINSTEIN, LANDRIEU, MURRAY, and WYDEN for joining us as cosponsors of ETHA. I also wish to thank all of the organizations around the country that have expressed support for this bill. I have received a stack of support letters from those organizations, and I ask unanimous consent that those letters be printed in the CONGRESSIONAL RECORD. In particular, I want to thank the ADAP Working Group and the Treatment Access Expansion Project, led by Robert Greenwald, for helping bring so much attention to ETHA. I hope all of my colleagues will join us in supporting this critical, life-saving legislation.

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

AMERICAN FOUNDATION
FOR AIDS RESEARCH,
Washington, DC, April 9, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: Thank you for your sponsorship of the Early Treatment for HIV Act of 2003 (ETHA), which would allow states to extend Medicaid coverage to low-income people living with HIV.

Currently, Medicaid coverage is limited to people who meet very strict income requirements and meet other qualifications, such as being disabled. The disability requirements for Medicaid are such that many low-income uninsured people living with HIV are unable to qualify for Medicaid until their disease has progressed to the point where they are fully disabled by AIDS. Since individuals who are HIV-positive generally do not qualify for Medicaid, many do not have access to the early intervention and treatment that can help slow the progression of HIV and prevent the onset of opportunistic infections.

There are many benefits to providing access to early intervention and treatment to low-income HIV-positive people. By delaying the progression from HIV to AIDS, savings in treatment costs are realized. Most important, however, the health and quality of life of individuals living with HIV is greatly improved.

The Early Treatment for HIV Act would provide states with the option of extending Medicaid coverage to low-income, non-disabled people living with HIV. As a result, ETHA could help provide early access to care for thousands of individuals around the country.

We thank you for your leadership and sponsorship of this very important legislation.

Sincerely,

JEROME J. RADWIN,
Chief Executive Officer.

HUMAN RIGHTS CAMPAIGN,
Washington, DC, April 7, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: Thank you, on behalf of the more than 500,000 members of the Human Rights Campaign, for your sponsorship of the Early Treatment for HIV Act of 2003.

Currently, childless adults living with HIV generally only qualify for Medicaid coverage once they become eligible for Supplemental Security Income (SSI). Because an individual is not eligible for SSI until they become disabled, a person with asymptomatic HIV infection is not eligible for Medicaid until he or she has progressed to full-blown AIDS. Since HIV-positive individuals do not qualify for Medicaid, many lack the ability to receive medical care and medicine to help slow the progression of the HIV and to prevent the onset of opportunistic infections.

Treating those who are HIV-positive early in the progression of the disease provides numerous benefits. By making therapeutics available earlier, treatment costs will diminish, new HIV infections will decrease because of the lower viral loads, the AIDS Drug Assistance Program will be able to provide care to more individuals with HIV because of savings, and most importantly, the quality of life for countless HIV-positive individuals will be improved. Simply put, providing coverage earlier rather than later is the right thing to do.

The Early Treatment for HIV Act would provide states with the option of covering low-income HIV-infected individuals as 'categorically needy'. In this way, this legislation is very similar to the successful effort in 2000 to provide states with the option of providing Medicaid coverage to women diagnosed, through a federally funded program, with breast or cervical cancer.

On behalf of the countless people whose lives will be improved by enactment of this legislation, we thank you for your leadership and your sponsoring this important legislation.

Sincerely,

WINNIE STACHELBERG,
Political Director.

L.A. GAY & LESBIAN CENTER,
Los Angeles, CA, April 4, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the L.A. Gay & Lesbian Center, I am writing to thank you for agreeing to be the lead sponsors of the Early Treatment For HIV Act (ETHA). We wholeheartedly support your efforts to ensure that low-income people with HIV have access to health care by allowing States the option to expand Medicaid programs to cover non-disabling HIV disease.

ETHA represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV.

Research has shown that providing highly active antiretroviral therapy produces significant cost-savings in reduced hospital costs. By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible, enabling individuals to lead productive lives.

Increasing need as people with HIV live longer and the rise in new infections demand additional resources to provide care and treatment. It is unconscionable that low-income people with HIV should not have access to care and treatment. The demographics of the HIV epidemic have shifted into more impoverished and marginalized communities. Rates of HIV infection are staggeringly high in some communities, with one in ten gay men infected and one in three African American gay men living with HIV.

In an era of constrained federal resources for health care spending, we must aggressively fight for effective means to finance care for people with HIV. This bill will begin to address these challenges through a permanent funding solution, allowing states to expand the safety net to cover eligible persons with early-stage HIV disease.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

REBECCA ISAACS,
Interim Executive Director.

SAN FRANCISCO AIDS FOUNDATION,
San Francisco, CA, April 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: The San Francisco AIDS Foundation would like to thank you for your sponsorship of the Early Treatment for HIV Act 2003.

The Act would provide states with the option of covering low-income people living with HIV as 'categorically needy' provide them with medical care and treatment, reduce long term health care costs to states, and address a serious gap in public health care access. Recent breakthroughs in medical science and clinical practice have transformed the possibilities in HIV/AIDS care in the United States. Today, we know that early intervention with medical care and treatment for HIV disease slows the progression of HIV and prevents the onset of opportunistic infections. Application of this knowledge lengthens the life expectancy and dramatically improves the quality of life for many. These changes in science and medical practice demand revisions in the treatment of HIV disease under Medicaid.

Currently Medicaid eligibility for childless adults is tied to the Supplemental Security Income (SSI) eligibility. The result of this determination is that people living with HIV must wait for Medicaid access until their disease has progressed to a disabling AIDS diagnosis. The cruel irony of this practice is that individuals are forced to incur often-irreparable damage to their immune systems before receiving treatments that could have delayed or avoided the damage. This is counter to sound public health practices and all but guarantees higher cost of care for thousands of affected individuals. This serious anomaly in public health care coverage must be rectified by the enactment of this legislation.

The AIDS Foundation thanks you both for your leadership and sponsorship of this important legislation.

Sincerely,

ERNEST HOPKINS,
Director of Federal Affairs.

TREATMENT ACCESS EXPANSION PROJECT,
Boston, MA, April 7, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR: The Treatment Access Expansion Project (TAEP) would like to thank you on behalf of our broad-based coalition of members. Your leadership and support of the Early Treatment For HIV Act (ETHA) and your commitment to AIDS and to the HIV community are greatly appreciated.

As you are well aware, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. This breakthrough in assuring early access to care for thousands of low-income people living with HIV is imperative. Under current law, AIDS must disable most patients before they can qualify for Medicaid coverage. Enacting ETHA into law would represent an important step toward ensuring that all people living with HIV could get the medical care necessary to remain healthy for as long as possible.

Current HIV treatments are successful in delaying the progression from HIV infection to AIDS, and thus help improve the health and quality of life for many people living with the disease. By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the ETHA would ultimately save taxpayer dollars.

The members of TAEP fully endorse the Early Treatment for HIV Act and thank you again for your dedication to the passage of this important legislation.

Sincerely,

ROBERT GREENWALD,
Project Director.

ENDORSERS OF THE EARLY TREATMENT FOR HIV ACT, AS OF FEBRUARY 6, 2003

BACKGROUND

The Early Treatment for HIV Act (ETHA) is currently pending in Congress. ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Currently, most individuals with HIV must become disabled by AIDS in orders to receive Medicaid coverage.

HIV/AIDS treatments are successfully delaying the progression from HIV infection to full-blown AIDS. These advancements have improved both the health and quality of life for many people living with this disease. However, without access to early intervention health care and treatment, these advances remain out of reach for thousands of non-disabled, low-income people living with HIV.

By preserving the health of people living with HIV, preventing opportunistic infections, and slowing the progression to AIDS, ETHA could ultimately save taxpayer dollars. Most importantly, if ETHA can garner the bipartisan support needed to become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

ENDORSEMENTS

The following organizations support passage of the Early Treatment for HIV Act:

ACT UP Atlanta, Atlanta, GA
ACT UP Philadelphia, Philadelphia, PA
ADAP Working Group, Washington, D.C.
AIDS Atlanta, Atlanta, GA
AIDS Action, Washington, D.C.
AIDS Action Baltimore, Baltimore, MD
AIDS Alabama, Birmingham, AL
AIDS Alliance for Children, Youth, and Families, Washington, D.C.
AIDS Foundation of Chicago, Chicago, IL
AIDS Healthcare Foundation, Los Angeles, CA
AIDS Project Los Angeles, Los Angeles, CA
AIDS Project Rhode Island, Providence, RI
AIDS Services Foundation Orange County, Irvine, CA
AIDS Survival Project, Atlanta, GA
AIDS Taskforce of Greater Cleveland, Cleveland, OH
AIDS Treatment Data Network, New York, NY
AIDS Vaccine Advocacy Coalition, New York, NY
AIDS Volunteers of Northern Kentucky, Covington, KY
Africa Eridge, Inc., West Linn, OR
American Foundation for AIDS Research, Washington, D.C.
American Society of Addiction Medicine, Chevy Chase, MD
Association of Maternal and Child Health Programs, Washington, D.C.
Association of Reproductive Health Professionals, Washington, D.C.
AsUR Volunteer Services, Oakland, CA
Beaver County AIDS Service Organization, Aliquippa, PA
Center for AIDS: Hope & Remembrance Project, Houston, TX
Center for Women Policy Studies, Washington, D.C.
Community Advisory Board of the Miriam ACTG, Providence, RI
Community Care Management, Johnstown, PA
Council on AIDS In Rockland, Rockland, NY
Critical Path AIDS Project, Philadelphia, PA
District of Columbia Primary Care Association, Washington, D.C.
Elizabeth Glaser Pediatric AIDS Foundation, Washington, D.C.
Florida AIDS Action, Tampa, FL
Florida Keys HIV Community Planning Partnership, Key West, FL
Foundation for Integrative AIDS Research, Brooklyn, NY
Gay and Lesbian Medical Association, San Francisco, CA
Gay Men's Health Crisis, New York, NY
Georgia AIDS Coalition, Inc., Snellville, GA
HIV/AIDS Alliance for Region Two, Inc. (HAART), Baton Rouge, LA
HIV/AIDS Dietetic Practice Group, American Dietetic Association, Chicago, IL/ Washington, D.C.
HIV/AIDS Women's Caucus of Long Beach and South Bay, Long Beach, CA
HIV/Hepatitis C in Prison Committee/California Prison Focus, San Francisco, CA
HIV Medicine Association, Alexandria, VA
HUG-M3 Program at Orlando Regional Healthcare, Orlando, FL
Human Rights Campaign, Washington, D.C.
International AIDS Empowerment, El Paso, TX
Kitsap Human Rights Network, Silverdale, WA
Lifelong AIDS Alliance, Seattle, WA
Louisiana Lesbian and Gay Political Action Caucus, New Orleans, LA
Los Angeles Gay and Lesbian Center, Los Angeles, CA
Matthew 25 AIDS Services, Inc., Henderson, KY
Michigan Advocates Exchange, Ypsilanti, MI
Michigan Persons Living With AIDS Task Force, Okemos, MI
Montrose Clinic, Houston, TX
National Alliance of State and Territorial AIDS Directors, Washington, D.C.
National Association of People With AIDS, Washington, D.C.
National Association for Victims of Transfusion-Acquired AIDS, Bethesda, MD
National Coalition for LGBT Health, Washington, D.C.
National Center on Poverty Law, Chicago, IL
National Health Law Program, Los Angeles, CA
National Minority AIDS Council, Washington, D.C.
New York City AIDS Housing Network, New York, NY
NO/AIDS Task Force, New Orleans, LA
North Carolina Council for Positive Living, Raleigh, NC
Northern Manhattan Women & Children HIV Project, Mailman School of Public Health, Columbia University, New York, NY
Northland Cares, Flagstaff, AZ
Okaloosa AIDS Support and Informational Services (OASIS), Fort Walton Beach, FL
Parents, Families and Friends of Lesbians and Gays (PFLAG), Washington, D.C.
Philadelphia FIGHT, Philadelphia, PA
Pierce County AIDS Foundation, Tacoma, WA
Presbyterian Church (U.S.A.) Washington Office, Washington, D.C.
Primary Health Care, Inc., Des Moines, IA
Program for Wellness Restoration, Houston, TX
Project Inform, San Francisco, CA
Provincetown AIDS Support Group, Provincetown, MA
Power of Love Foundation, San Diego, CA
San Antonio AIDS Foundation, San Antonio, TX
San Francisco AIDS Foundation, San Francisco, CA
San Francisco Community Clinic Consortium, San Francisco, CA
Shelter Resources, Inc. d.b.a. Belle Reve New Orleans, New Orleans, LA
STOP AIDS Project, San Francisco, CA
Test Positive Aware Network, Chicago, IL
Title II Community AIDS Action Network, Washington, D.C.
Treatment Action Group, New York, NY
United Communities AIDS Network, Olympia, WA
University of IOWA HIV Program, Iowa City, IA
Vermont People With AIDS Coalition, Montpelier, VT
Visionary Health Concepts, New York, NY
Whitmar Walker Clinic, Washington, D.C.
Williamsburg/Greenpoint/Bushwick HIV CARE Network, Brooklyn, NY
Women Accepting Responsibility, Baltimore, MD
Women's HIV Collaborative of New York, New York, NY.

ADAP,
Washington, DC, April 4, 2003.

Hon. HILLARY RODHAM CLINTON,
Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

RE: ETHA—THE EARLY TREATMENT FOR HIV ACT

DEAR SENATOR CLINTON and SENATOR SMITH: I write on behalf of our membership to express our support and appreciation for your bipartisan efforts in introducing the Early Treatment for HIV Act.

Passage of this act into law is a priority for this coalition and we believe ETHA can eventually be a major step towards providing the medically desirable early access to treatment, medical care, support services and prevention education for Americans with HIV disease.

While we recognize that budgetary resources are constrained we also recognize the cost effectiveness potential ETHA would present to state government resources. Naturally we also realize the extreme health importance of insuring proper medical attention and access to care at the earliest possible moment for HIV + patients.

Thank you for your leadership in this very important effort to deliver health care to HIV + positive Americans who otherwise are likely to have to wait until diagnosed with full blown AIDS before receiving access to Medicare which would then be able to provide them with the care and treatment which could prevent them from progressing to full blown AIDS—in the first place.

Our membership intends to devote time and every towards passing ETHA into law as this session of Congress proceeds. We are aware of hundreds of other organizations that are equally committed to the passage of ETHA. We look forward to actively supporting your efforts and to a final passage of ETHA during the 108th Congress.

Sincerely,

WILLIAM E. ARNOLD,
Director.

WHITMAN-WALKER CLINIC,
April 8, 2003.

The Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
The Hon. HILARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH and CLINTON: On behalf of the thousands of men and women with HIV served by Whitman-Walker Clinic, the board of directors, staff and volunteers thank you for introducing the Early Treatment For HIV Act (ETHA). We strongly support the goals of this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, as well as improving the health and quality of life for many people living with the disease. However, without access to early intervention, health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Whitman-Walker Clinic provides a broad range of services including HIV testing and counseling, medical and dental care, substance abuse and mental health services and housing. Yet maintaining access to these services for those in need is increasingly difficult.

Despite nearly two decades of success in HIV prevention and care which has kept tens of thousands alive and healthy in our community, Washington, DC has a rate of AIDS ten times the national average. And, our region, including Northern Virginia and Suburban Maryland, ranks 5th in reported number of cases.

Thank you again for your leadership on behalf of people living with HIV. We look forward to working with you to secure passage of this important legislation.

Sincerely,

MARK M. LEVIN,
Board Chair.
A. CORNELIUS BAKER,
Executive Director.

NATIONAL COALITION
FOR LGBT HEALTH,
Washington, DC, April 9, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: Thank you, on behalf of the more than 75 organizations of the National Coalition for Lesbian, Gay, Bisexual, and Transgender Health, for your sponsorship of the Early Treatment for HIV Act of 2003.

Currently, childless adults living with HIV generally only qualify for Medicaid coverage once they become eligible for Supplemental Security Income (SSI). Because an individual is not eligible for SSI until they become disabled, a person with a symptomatic HIV infection is not eligible for Medicaid until he or she has progressed to AIDS. Since HIV-positive individuals do not qualify for Medicaid, many lack the ability to receive medical care and medicine to help slow the progression of the HIV and to prevent the onset of opportunistic infections.

Treating those who are HIV-positive early in the progression of the disease provides numerous benefits. By making therapeutics available earlier, treatment costs will diminish, due to cost savings the AIDS Drug Assistance Program will be able to provide care to more individuals with HIV, and most importantly, the quality of life for countless HIV-positive individuals will be improved. Simply put, providing coverage earlier rather than later improved lives and reduces cost for all.

The Early Treatment for HIV Act would provide states with the option of covering low-income HIV-infected individuals as ''categorically needy.'' In this way, this legislation is very similar to the successful effort in 2000 to provide states with the option of providing Medicaid coverage to women diagnosed, through a federally funded program, with breast or cervical cancer.

On behalf of the countless people whose lives will be improved by enactment of this legislation, we thank you for your leadership and your sponsoring this important legislation.

Very truly yours,

A. CORNELIUS BAKER,
Co-Chair, Executive Committee.
EUGENIA HANDLER,
Co-Chair, Executive Committee.

GAY & LESBIAN MEDICAL ASSOCIATION,
San Francisco, CA, April 7, 2003.

Hon. GORDON SMITH,
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: Thank you, on behalf of the more than 1,500 members of the Gay & Lesbian Medical Association, for your sponsorship of the Early Treatment for HIV Act of 2003.

Currently, childless adults living with HIV generally only qualified for Medicaid coverage once they become eligible for Supplemental Security Income (SSI). Because an individual is not eligible for SSI until they become disabled, a person with asymptomatic HIV infection is not eligible for Medicaid until he or she has progressed to full-blown AIDS. Since HIV-positive individuals do not quality for Medicaid, many lack the ability to receive medical care and medicine to help slow the progression of the HIV and to prevent the onset of opportunistic infections.

Treating those who are HIV-positive early in the progression of the disease provides numerous benefits. By making therapeutics available earlier, treatment costs will diminish, new HIV infections will decrease because of the lower viral loads, the AIDS Drug Assistance Program will be able to provide care to more individuals with HIV because of savings, and most importantly, the quality of life for countless HIV-positive individuals will be improved. Simply put, providing coverage earlier rather than later is the right thing to do.

The Early Treatment for HIV Act would provide states with the option of covering low-income HIV-infected individuals as 'categorically needy'. In this way, this legislation is very similar to the successful effort in 2000 to provide states with the option of providing Medicaid coverage, through a federally funded program, to women diagnosed with breast or cervical cancer.

On behalf of the countless people whose lives will be improved by enactment of this legislation, we thank you for your leadership and your sponsoring this important legislation.

Sincerely,

KENNETH HALLER Jr.,
President.

VERMONT PWA COALITION,
Montpelier, VT, April 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the Vermont People with AIDS Coalition, I am writing to thank you for agreeing to be the lead sponsor of the Early Treatment For HIV Act (ETHA). We strongly support this legislation and are greatful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV.

Access to health care is an important issue for all Vermonters. Any program that will give people who are HIV+ early access to medical care gets our enthusiastic support. In the long run, early treatment will save money and, more importantly, keep people healthy and productive.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

KATHY KILCOURSE,
Program Administrator.

BEAVER COUNTY AIDS
SERVICE ORGANIZATION,
Aliquippa, PA, April 7, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the Beaver County AIDS Service Organization (BCASO), I am writing to thank you for agreeing to be the lead sponsors of the Early Treatment for HIV Act (ETHA). We strongly support this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

DAVID ADKINS,
Program Coordinator.

AIDS COUNCIL
OF NORTHEASTERN NEW YORK,
Albany, NY, April 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR GORDON: On behalf of the AIDS Council of Northeastern New York, I am writing to thank you for agreeing to be the lead sponsors of the Early Treatment for HIV Act (ETHA). We strongly support this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

JULIE M. HARRIS,
Deputy Executive Director.

MORRISON CENTER,
PORTLAND, OR, APRIL 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the thousands of parents and children served by Parents Anonymous® of Oregon, I wish to thank you for the support you have provided to the Parents Anonymous® Programs in your State. These vital federal funds and support from Parents Anonymous® Inc. allow us to meet the ever increasing demand and ensure that the proven effective, child abuse prevention programs of Parents Anonymous® are available to strengthen families here at home.

For over twenty-five years, Parents Anonymous® of Oregon (PAO) has been dedicated to the prevention of child abuse and neglect by strengthening families in our community. Currently we provide 14 free weekly Parent Support Groups and Children's Programs to parents experiencing challenges and stress in their family and who have the courage to seek help. PAO is committed to providing services to anyone in parenting role, but particularly to at risk populations, including low income Latino families, women transitioning from federal prison and women in residential treatment for substance abuse.

I respectfully request your support and advocacy for two funding initiatives for Parents Anonymous® Inc. for fiscal year 2004.

$4 million in the current level of appropriations under the Commerce-Justice-State (''CJS'') appropriations bill, for strengthening and expanding nationwide services to families in local communities to prevent child abuse, neglect, and juvenile delinquency.

$3 million under the Labor-Health and Human Services (''LHHS'') appropriations bill for establishing, operating, and maintaining a national parent helpline.

Research demonstrates that child abuse and neglect is often a precursor to delinquent and adult criminal behavior and that children who are abused or neglected are 40% more likely to engage in delinquency or adult criminal behavior. In fact, being abused or neglected as a child increases the likelihood of an arrest as a juvenile by 59%, as an adult by 28%, and for a violent crime by 30%. The requested CJS funding will enable us to continue Parents Anonymous® Programs and address the needs of at-risk populations. In addition, this funding will help, in the long run, to reduce expenditures in other Department of Justice programs.

The requested LHHS funding for a national parent helpline run by Parents Anonymous® Inc. will enable parents throughout the country, in all states, on reservations, in urban and rural areas, to obtain immediate support and help, 24 hours a day, 7 days a week. Currently, thee is no national toll-free telephone system aimed at providing immediate support to parents seeking help with their child-raising crises and connecting them with effective community-based programs for assistance—the first cry for help needs to be answered in order to prevent child abuse and neglect.

Given your strong commitment and leadership to addressing the needs of families in your State, we wish to thank you in advance for championing these two FY 04 funding initiatives.

Very truly yours,

RUTH TAYLOR,
Program Director,
Parents Anonymous® of Oregon.

METROPOLITAN COMMUNITY CHURCH
OF PORTLAND
Portlands, OR, April 9, 2003.

Hon. Gordon Smith,
U.S. Senate, Washington DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate, Washington, DC.

DEAR SENATORS SMITH AND CLINTON, I want to take this opportunity to thank you for your sponsorship of the Early Treatment for HIV Act of 2003. Esther's Pantry has been a food bank for individuals living with AIDS since 1985. As funding for AIDS programs such as ours continue to decline and disappear, it very important that individuals diagnosed with HIV receive medical benefits as soon as possible so they may maintain some level of health and be able to provide for themselves long term. We have learned so much about HIV/AIDS over the past several years and the most important lesson has been early detection and treatment. Your bill will address that further piece of the solution by providing some resources to enable those infected to follow through.

At Esther's Pantry, we regularly provide individually shopped food boxes to approximately 150 clients every month for a total annual population of clients numbering 250. We recently lost Ryan White Title 1 funding and now provide our service through local donation and grant funding from a variety of sources. All clients must have AIDS and be at less than twice the federal poverty level. We are a provider for these clients who are struggling to cope with increased medical costs. Earlier treatment of all these clients would have helped to maintain their health, and enable them to expend their resources for other life necessities. Failure to do this has only created a dire situation.

This is certainly a bill that takes the necessary steps to improve the situation for so many men, women and children suffering from this disease. Thank you for your continuing efforts.

In Gratitude,

DAVID R. BECKLEY,
Executive Director.

PARENTS, FAMILIES AND FRIENDS OF
LESBIANS AND GAYS,
Washington, DC, April 7, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.
Re: Early Treatment for HIV Act of 2003

DEAR SENATORS SMITH and CLINTON: I am the executive director of Parents, Families and Friends of Lesbians and Gays (PFLAG), the nation's foremost family organization dedicated to fair treatment for gay, lesbian, bisexual and transgender (GLBT) persons. Founded in 1973 by heterosexual parents who were brought together by their deep desire to understand and accept their GLBT loved ones, PFLAG consists of almost 500 chapters and represents over 250,000 members and supporters—Republicans and Democrats—throughout the country. On behalf of our national membership, I write to thank you for your sponsorship of the Early Treatment for HIV Act of 2003.

As a national organization whose mission focuses on the health and well-being of GLBT persons, PFLAG strongly believes that treating those who are HIV-positive early in the progression of the disease provides numerous benefits. By making therapeutics available earlier, treatment costs will diminish, new HIV infections will decrease because of the lower viral loads, the AIDS Drug Assistance Program will be able to provide care to more individuals with HIV because of savings, and most importantly,

the quality of life for countless HIV-positive individuals will be improved. Simply put, providing coverage earlier rather than later is the right thing to do.

The Early Treatment for HIV Act would provide states with the option of covering low-income HIV-infected individuals as ''categorically needy''. In this way, this legislation is very similar to the successful effort in 2000 to provide states with the option of providing Medicaid coverage to women diagnosed, through a federally funded program, with breast or cervical cancer.

PFLAG is proud to support you in calling for these critical steps to be taken in our national fight against AIDS/HIV, and we applaud you for your leadership in this important battle we must all win.

Sincerely,

DAVID TSENG,
Executive Director.

ELIZABETH GLASER PEDIATRIC
AIDS FOUNDATION,
Washington, DC, April 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH AND CLINTON: On behalf of the Elizabeth Glaser Pediatric AIDS Foundation, I would like to express my strong support for the Early Treatment for HIV Act of 2003. We applaud your efforts to give states the option to extend critical Medicaid benefits to low-income HIV-infested individuals.

For children and adults infected with HIV the recent dramatic advances in treatment offer great hope for living long and healthy lives. Unfortunately, for too many low-income and uninsured individuals the cost of these live-saving medications is out of reach. A ''catch-22'' in the current Medicaid rules requires that they must be disabled by AIDS before Medicaid will begin to cover the drugs that would have prevented or delayed their becoming disabled in the first place.

Improving the access of HIV-positive individuals to treatment early in the progression of the disease is not only humane, but also cost-effective. Early treatment lowers the need for expensive medical interventions and, by decreasing viral loads, reduces the likelihood of new infections. Just as importantly, by preserving the ability of HIV-infected individuals to be productive and healthy workers, parents and citizens, early treatment also reduces the attendant social costs of AIDS.

Thank you for your leadership and commitment to this issue. We look forward to working with you toward passage of the Early Treatment for HIV Act.

Sincerely,

MARK ISAAC,
Vice President for Governmental and Public Affairs.

NATIONAL ALLIANCE OF STATE AND
TERRITORIAL AIDS DIRECTORS,
Washington, DC, April 8, 2003.

Hon. GORDON SMITH,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the National Alliance of State and Territorial AIDS Directors (NASTAD), I am writing to offer our support for the ''Early Treatment for HIV Act.'' NASTAD represents the nation's chief state and territorial health agency staff who are responsible for HIV/AIDS prevention, care and treatment programs funded by state and federal governments. This legislation would give states an important option in providing care and treatment services to low-income Americans living with HIV.

The Early Treatment for HIV Act (ETHA) would allow states to expand their Medicaid programs to cover HIV positive individuals, before they become disabled, without having to receive a waiver. NASTAD believes this legislation would allow HIV positive individuals to access the medical care that is widely recommended, can postpone or avoid the onset of AIDS, and can enormously increase the quality of life for people living with HIV.

State AIDS directors continue to develop innovative and cost-effective HIV/AIDS programs in the face of devastating state budget cuts and federal contributions that fail to keep up with need. ETHA provides a solution to states by increasing health care access for those living with HIV/AIDS. ETHA will also save states money in the long-run by treating HIV positive individuals earlier in the disease's progression and providing states with a federal match for the millions of dollars they are presently spending on HIV/AIDS care.

Thank you very much for your continued commitment to persons living with HIV/AIDS. I look forward to working with you to gain support for this important piece of legislation.

Sincerely,

JULIE M. SCOFIELD,
Executive Director.

SOUTHERN CALIFORNIA
HIV ADVOCACY COALITION,
April 7, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: on behalf of the Southern California HIV Advocacy Coalition, I am writing to thank you for agreeing to be the lead sponsors of the Early Treatment For HIV Act (ETHA). We strongly support this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV. The delay in getting individuals into a system of care is having a huge detrimental impact on the HIV delivery system and the entire health safety net in the Southern California area.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, the Early Treatment for HIV Act could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

In an era of constrained federal resources for health care spending, we must aggressively fight for effective means to finance care for people with HIV. This bill will begin to address these challenges through a permanent funding solution, allowing states to expand the safety net to cover eligible persons with early-stage HIV disease.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

TOM PETERSON,
Co-Chair, Southern California HIV Advocacy Coalition.

THE CENTER FOR AIDS,
Houston, Tx, April 4, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: on behalf of The Center for AIDS: Hope & Remembrance Project (CFA), I am writing to thank you for agreeing to be the lead sponsors of the Early Treatment For HIV Act (ETHA). We strongly support this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for many non-disabled, low-income people with HIV. Moreover, without these treatments to stave off disease progression, hospitalizations and associated costs would unnecessarily add millions of dollars in burdens to the U.S. health care system.

The CFA has the largest collection HIV/AIDS-specific treatment information in the southwestern U.S. The CFA specializes in research/treatment information and advocacy. The proposed ETHA legislation will help The CFA's clients—those affected by HIV/AIDS both locally in Houston and nationally—stay healthier and lead productive lives in society.

By preserving the health of people living with HIV, preventing opportunistic infections associated with the disease, and slowing the progression to AIDS, ETHA could ultimately save taxpayer dollars. Most importantly, should ETHA become law, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Thank you again for your leadership on behalf of people living with HIV. Please let me know if there is anything I can do to help secure passage of this important legislation.

Sincerely,

THOMAS GEGENY,
MS, ELS, Editor & Interim Director.

ASSOCIATION OF MATERNAL
CHILD HEALTH PROGRAMS,
Washington, DC, April 4, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: on behalf of the Association of Maternal and Child Health Programs (AMCHP), I am writing to thank you for agreeing to be a lead sponsor of the Early Treatment For HIV Act (ETHA). We strongly support this legislation and are grateful for your leadership.

As you know, ETHA would allow states to extend Medicaid coverage to pre-disabled people living with HIV. It represents a breakthrough in assuring early access to care for thousands of low-income people living with HIV. Current HIV treatments are successfully delaying the progression from HIV infection to AIDS, improving the health and quality of life for many people living with the disease. However, without access to early intervention health care and treatment, these advances remain out of reach for

many non-disabled, low-income people with HIV.

AMCHP represents the directors and staff of state public health programs for maternal and child health (funded by the Federal Maternal and Child Health Services Block Grant), including children with special health care needs. These programs provided services to over 27 million Americans in FY 1999, including 18 million children between the ages of 1 and 22, 16% of whom had no known source of health insurance.

With this legislation, the United States will take an important step towards ensuring that all people living with HIV can get the medical care they need to stay healthy for as long as possible.

Thank you again for your leadership on this issue. Please let me know how I can help support your efforts to secure passage of this important legislation.

Sincerely,

DEBORAH DIETRICH,
Acting Executive Director.

SAN FRANCISCO
AIDS FOUNDATION,
San Francisco, CA, April 8, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.
Hon. HILLARY RODHAM CLINTON,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH and CLINTON: the San Francisco AIDS Foundation would like to thank you for your sponsorship of the Early Treatment for HIV Act 2003.

The Act would provide states with the option of covering low-income people living with HIV as 'categorically needy' provide them with medical care and treatment, reduce long term health care costs to states, and address a serious gap in public health care access. Recent breakthroughs in medical science and clinical practice have transformed the possibilities in HIV/AIDS care in the United States. Today, we know that early intervention with medical care and treatment for HIV disease slows the progression of HIV and prevents the onset of opportunistic infections. Application of this knowledge lengthens the life expectancy and dramatically improves the quality of life for many. These changes in science and medical practice demand revisions in the treatment of HIV disease under Medicaid.

Currently Medicaid eligibility for childless adults is tied to Supplemental Security Income (SSI) eligibility. The result of this determination is that people living with HIV must wait for Medicaid access until their disease has progressed to a disabling AIDS diagnosis. The cruel irony of this practice is that individuals are forced to incur often-irreparable damage to their immune systems before receiving treatments that could have delayed or avoided the damage. This is counter to sound public health practices and all but guarantees higher cost of care for thousands of affected individuals. This serious anomaly in public health care coverage must be rectified by the enactment of this legislation.

The AIDS Foundation thanks you both for your leadership and sponsorship of this important legislation.

Sincerely,

ERNEST HOPKINS,
Director of Federal Affairs.

Mr. President, I ask unanimous consent that a copy of the Early Treatment for HIV Act of 2003 be printed in the RECORD.

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

S. 847

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 ''Early Treatment for HIV Act of 2003''.

SEC. 2. OPTIONAL MEDICAID COVERAGE OF LOW-INCOME HIV-INFECTED INDIVIDUALS.

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) in subsection (a)(10)(A)(ii)—

(A) by striking ''or'' at the end of subclause (XVII);

(B) by adding ''or'' at the end of subclause (XVIII); and

(C) by adding at the end the following:

''(XIX) who are described in subsection (cc) (relating to HIV-infected individuals);''; and

(2) by adding at the end the following:

''(cc) HIV-infected individuals described in this subsection are individuals not described in subsection (a)(10)(A)(i)—

''(1) who have HIV infection;

''(2) whose income (as determined under the State plan under this title with respect to disabled individuals) does not exceed the maximum amount of income a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan; and

''(3) whose resources (as determined under the State plan under this title with respect to disabled individuals) do not exceed the maximum amount of resources a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan.''.

(b) ENHANCED MATCH.—The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended by striking ''section 1902(a)(10)(A)(ii)(XVIII)'' and inserting ''subclause (XVIII) or (XIX) of section 1902(a)(10)(A)(ii)''.

(c) CONFORMING AMENDMENTS.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(1) by striking ''or'' at the end of clause (xii);

(2) by adding ''or'' at the end of clause (xiii); and

(3) by inserting after clause (xiii) the following:

''(xiv) individuals described in section 1902(cc);''.

(d) EXEMPTION FROM FUNDING LIMITATION FOR TERRITORIES.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended by adding at the end the following:

''(3) DISREGARDING MEDICAL ASSISTANCE FOR OPTIONAL LOW-INCOME HIV-INFECTED INDIVIDUALS.—The limitations under subsection (f) and the previous provisions of this subsection shall not apply to amounts expended for medical assistance for individuals described in section 1902(cc) who are only eligible for such assistance on the basis of section 1902(a)(10)(A)(ii)(XIX).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after the date of the enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 849. A bill to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership; to the Committee on Energy and Natural Resources.

Mr. MCCAIN. Mr. President, I am pleased to join with Senator KYL today to introduce the Northern Arizona National Forest Land Exchange Act of 2003. This bill facilitates an exchange of over 50,000 acres of Federal and private land in Arizona for the primary purpose of consolidating National Forest lands currently in checkerboard ownership in the northwestern portion of the State. Included in the exchange are a number of other Federal land parcels located in the communities of Flagstaff, Williams, Clarkdale, Cottonwood, and Camp Verde and other lands currently leased by six different camps.

This is a complex land exchange because of its size, the diverse nature of the lands involved, and the range of potential benefits and impacts that would result. The Forest Service has stated that the consolidation of the checkerboard in the Prescott National Forest will yield significant benefits and cost-savings to the public. In putting forth this exchange with the Yavapai Ranch Limited Partnership, the Forest Service has identified opportunities to achieve better and more cost-effective management of Federal lands and resources, to acquire lands that will meet the important public objectives of protection of wildlife habitat, cultural resources, watershed, wilderness and aesthetic values, and also meet the needs of State and local residents and their economies.

The communities of Flagstaff and Williams and the camps are strongly in favor of this bill as it will allow them to acquire federal lands that will be exchanged to Yavapai Ranch, providing them beneficial economic and land use management opportunities. The communities of Clarkdale, Cottonwood, and Camp Verde are also an important part of this exchange. Inclusion of these parcels, totaling more than 300 acres, has focused discussion on essential issues of available water supply, the limits of sustainable growth, and quality of life concerns.

The issue of potential adverse impacts of new development on limited water resources has been addressed in this bill through the establishment of conservation easements which limit water use on the Verde Valley parcels after private acquisition. This foresighted provision is intended to conserve precious surface and ground water resources and protect the water users and State water right holders dependent upon them. Given the uncertainty about available water supplies and future uses, I believe this is a responsible measure which is in the interest of both Arizona citizens and the American public.

Of primary importance to me are the procedural terms and conditions by which the land exchange will be conducted. The Forest Service has stated that the procedures set forth in this bill represent standard practice and will allow for the desired outcome of a fair and equal value exchange of public property. I have also made an effort to

solicit public input on the exchange in order to appreciate the potential benefits and costs involved. I held several public meetings in Arizona on the exchange and have heard and read the differing views of hundreds of interested Arizonans.

After careful consideration, I believe it is appropriate that the bill be introduced at this time. While the proposed exchange has the support of the Forest Service, the elected representatives of the affected communities, and the camps, introduction of this bill advances us to the next phase of public consideration of key aspects and procedural issues associated with the legislation.

I expect that public hearings will be held here and in Arizona on the bill in the near future. The Forest Service will have an opportunity to provide public statements concerning the specific provisions of the bill, as will other parties affected by the exchange. I anticipate that in the next phase of the legislative process, our state delegation will receive the information needed to address any remaining issues and ensure that this exchange will be conducted in a manner that benefits the citizens of Arizona and Federal taxpayers alike.

Mr. KYL. Mr. President, today, I am pleased to join with Senator MCCAIN to introduce the Northern Arizona National Forest Land Exchange Act of 2003. This bill, which facilitates a large and very complex land exchange in Arizona, is the product of months of discussions between the Forest Service, community groups, local officials, and other stakeholders. It will allow communities to accommodate growth and improve the management of our forests; it will also yield many environmental benefits to the public.

This bill will protect some of Arizona's most beautiful ponderosa pine forests from future development by placing approximately 35,000 acres of private land into public use. It consolidates a 110-square mile area in the Prescott National Forest near the existing Juniper Mesa Wilderness under Forest Service ownership, to preserve the area in its natural state and prevent its subdivision. This land has old growth ponderosa pine that is at least 250 years old and juniper that is 500 years old or older. Consolidation will preserve the area for watershed management, wildlife habitat, and outdoor recreation. Without consolidation, these tracts would be open to future development. I am pleased that this bill will preserve them for future generations.

This bill significantly improves management of the Prescott National Forest. The existing checkerboard ownership pattern in the Prescott makes management and access difficult. The exchange improves management of the forest by consolidating this land, and allowing the Forest Service to effectively apply forest-restoration treatments designed to improve forest health and reduce hazardous fuels. In turn, better management will help decrease the fire risk in Arizona's forests. The importance of improved management and efficient restoration treatments cannot be overstated given last year's devastating Rodeo-Chediski fire.

In addition to protecting Arizona's natural resources, this bill allows several Northern Arizona communities to accommodate future growth and economic development, and to meet other municipal needs. The exchange will allow the Cities of Williams and Flagstaff to expand their airports and water-treatment facilities, and develop town parks and recreation areas. The town of Camp Verde will have the opportunity to acquire lands for view shed protection. Several youth organizations throughout northern Arizona will be able to acquire land for their camps.

Even as it addresses environmental and community needs, this bill saves significant taxpayer dollars. It obviates the administrative route for land exchange—doing an exchange of this size administratively would require considerable financial and personnel resources within the Forest Service. The agency estimates that the legislative approach will cost half as much as the administrative alternative—resulting in potential savings to the taxpayers in excess of $500,000.

This land exchange is supported and endorsed by many municipalities, religious institutions, environmental groups, and other nongovernmental organizations in Arizona. Experts from the Arizona Game and Fish Department have reviewed the lands to be exchanged and strongly support the proposal. I have received hundreds of letters and petitions from residents expressing support for it. This exchange is extremely important to the residents of Arizona.

This land exchange is a unique opportunity to protect Arizona's natural resources while accommodating the tremendous growth that my State is experiencing. This bill is good for the state of Arizona and I plan to work with my colleagues to ensure that we pass this important legislation this year.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 112—DESIGNATING APRIL 11TH, 2003, AS ''NATIONAL YOUTH SERVICE DAY'', AND FOR OTHER PURPOSES

Ms. MURKOWSKI (for herself, Mr. AKAKA, Mr. BIDEN, Mr. DEWINE, Mr. JOHNSON, Mr. BAYH, Mr. BAUCUS, Mr. BROWNBACK, Mr. BUNNING, Mr. CAMPBELL, Mrs. CLINTON, Mr. COCHRAN, Ms. COLLINS, Mr. DOMENICI, Mr. DURBIN, Mr. KENNEDY, Ms. LANDRIEU, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, and Mr. STEVENS) submitted the following resolution; which was considered and agreed to:

S. RES. 112

Whereas National Youth Service Day is an annual public awareness and education campaign that highlights the amazing contributions that young people make to their communities throughout the year;

Whereas the goals of National Youth Service Day are to mobilize youths to identify and address the needs of their communities through service, recruit the next generation of volunteers, and educate the public about the contributions young people make as community leaders throughout the year;

Whereas young people in the United States are volunteering more than has any generation in American history;

Whereas the ongoing contributions young people make to their communities throughout the year should be recognized and encouraged;

Whereas young people should be viewed as the hope not only of tomorrow, but of today, and should be valued for the inherent idealism, energy, creativity, and commitment that they employ in addressing the needs of their communities;

Whereas there is a fundamental and absolute correlation between youth service and lifelong adult volunteering and philanthropy;

Whereas, through volunteer service and related learning opportunities, young people build character and learn valuable skills, including time management, teamwork, needs-assessment, and leadership, that are sought by employers;

Whereas service-learning, an innovative teaching method combining service to the community with classroom curriculum, is a proven strategy to increase academic achievement;

Whereas National Youth Service Day was first organized in 1988 by Youth Service America and the Campus Outreach Opportunity League, and is now being observed in 2003 for the 15th consecutive year;

Whereas Youth Service America continues to expand National Youth Service Day, now engaging millions of young people nationwide with 50 Lead Agencies in nearly every State to organize activities across the United States;

Whereas Youth Service America has expanded National Youth Service Day to involve over 60 National Partners;

Whereas National Youth Service Day has inspired Global Youth Service Day, which occurs concurrently in 127 countries and is now in its fourth year; and

Whereas young people will benefit greatly from expanded opportunities to engage in meaningful volunteer service: Now, therefore, be it

Resolved,

SECTION 1. RECOGNITION AND ENCOURAGEMENT OF YOUTH COMMUNITY SERVICE.

The Senate recognizes and commends the significant contributions of American youth and encourages the cultivation of a common civic bond among young people dedicated to serving their neighbors, their communities, and the Nation.

SEC. 2. NATIONAL YOUTH SERVICE DAY.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the President should designate April 11, 2003, as ''National Youth Service Day''.

(b) PROCLAMATION.—The Senate requests the President to issue a proclamation—

(1) designating April 11, 2003, as ''National Youth Service Day''; and

(2) calling on the people of the United States to—

(A) observe the day by encouraging and engaging youth to participate in civic and community service projects;

(B) recognize the volunteer efforts of our Nation's young people throughout the year; and

(C) support these efforts as an investment in the future of our Nation.

SENATE RESOLUTION 113—COMMENDING THE HUSKIES OF THE UNIVERSITY OF CONNECTICUT FOR WINNING THE 2003 NCAA DIVISION I WOMEN'S BASKETBALL CHAMPIONSHIP

Mr. DODD (for himself and Mr. LIEBERMAN) submitted the following resolution; which was considered and agreed to:

S. RES. 113

Whereas the University of Connecticut women's basketball team won its third national championship in 4 years by defeating arch-rival University of Tennessee by the score of 73 to 68;

Whereas the Huskies finished the 2002–2003 season with a record of 37 wins and 1 loss, and have now won 76 of their last 77 games;

Whereas during the 2002–2003 season the Huskies won their 70th game in a row, setting a new record for NCAA Division I Women's Basketball;

Whereas Coach Geno Auriemma has been coaching the Huskies for 18 years, and achieved his 500th career win this season;

Whereas Coach Auriemma won his second-straight Coach of the Year honor this year;

Whereas Diana Taurasi was chosen as the national women's player of the year, and the NCAA Tournament's most valuable player;

Whereas Ashley Battle was chosen as Big East defensive player of the year;

Whereas the high caliber of the Huskies in both athletics and academics has significantly advanced the sport of women's basketball and provided inspiration for future generations of young men and women alike; and

Whereas the Huskies unparalleled success continues to bring enormous pride and joy to the people of Connecticut and to sports aficionados around the country: Now, therefore, be it

Resolved, That the Senate commends the Huskies of the University of Connecticut for—

(1) completing the 2002–2003 women's basketball season with a record of 37 wins and 1 loss, including winning their record 70th game in a row; and

(2) winning the 2003 NCAA Division I Women's Basketball Championship, their fourth national championship.

SENATE RESOLUTION 114—HONORING THE LIFE OF NBC REPORTER DAVID BLOOM, AND EXPRESSING THE DEEPEST CONDOLENCES OF THE SENATE TO HIS FAMILY ON HIS DEATH

Mr. DAYTON (for himself, Mr. COLEMAN, and Mrs. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 114

Whereas the Senate has learned with sadness of the death of NBC Reporter David Bloom;

Whereas David Bloom, a native of Edina, Minnesota, greatly distinguished himself by his rapid rise in the field of journalism;

Whereas, most recently, David Bloom was embedded with the Third Infantry Division of the United States Army to provide in-depth reporting on the war in Iraq;

Whereas David Bloom, as a skilled and determined reporter, covered many major news stories for NBC News, including reporting from Israel on the escalating violence in the Middle East, the recovery efforts from Ground Zero after September 11, 2001, the war on terrorism at home, and the Washington, D.C., sniper story;

Whereas, while covering the White House beat between 1997 and 2000, David Bloom reported on the Maryland Peace Summit with Yassir Arafat and Benjamin Netanyahu, on Operation Desert Fox in Iraq, and on the NATO air campaign in Kosovo;

Whereas, prior to being named White House Correspondent, David Bloom was a Los Angeles-based correspondent for NBC News, where he reported extensively on the Unabomber, the Freeman ranch standoff, and the war in Bosnia;

Whereas David Bloom was a co-recipient of the 1992 George Foster Peabody Award, a winner of the Radio-Television News Directors Association Edward R. Murrow Award for his coverage of Hurricane Andrew, and a 1991 Regional Emmy Award winner for Investigative Journalism for his report on the shipment of arms to Iraq from south Florida;

Whereas David Bloom was a devoted husband to his wife, Melanie, and a proud father to three exceptional daughters, Nicole, Christine, and Ava; and

Whereas David Bloom's life was distinguished for its great ambition, multitude of accomplishments, standards of excellence, dedication to family, and important contributions to the dissemination of unbiased information to citizens throughout the country: Now, therefore, be it

Resolved, That the Senate—

(1) pays tribute to the outstanding career and devoted work of David Bloom;

(2) expresses its deepest condolences to his family; and

(3) directs the Secretary of the Senate to transmit an enrolled copy of this resolution to the family of David Bloom.

SENATE RESOLUTION 115—CONGRATULATING THE SYRACUSE UNIVERSITY MEN'S BASKETBALL TEAM FOR WINNING THE 2003 NCAA DIVISION I MEN'S BASKETBALL NATIONAL CHAMPIONSHIP

Mr. SCHUMER (for himself, Mrs. CLINTON, and Mr. BIDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 115

Whereas on Monday, April 7, 2003, the Syracuse University Orangemen men's basketball team won its first Division I national basketball championship;

Whereas Syracuse University won the championship game by defeating the University of Kansas Jayhawks 81 to 78;

Whereas the Syracuse University team was led by freshman Carmelo Anthony, who was voted Most Outstanding Player of the Final Four, and received outstanding effort and support from Gerry McNamara, Billy Edelin, Kueth Duany, Hakim Warrick, Craig Forth, Jeremy McNeil, and Josh Pace;

Whereas the roster of the Syracuse University team also included Tyrone Albright, Josh Brooks, Xzavier Gaines, Matt Gorman, Gary Hall, Ronneil Herron, and Andrew Kouwe;

Whereas Head Coach Jim Boeheim has coached at Syracuse University for 27 years and been involved with the Syracuse University men's basketball team for more than half his life;

Whereas Coach Boeheim had previously coached in 2 national championship games, including a heartbreaking loss in 1987;

Whereas Coach Boeheim and his coaching staff, including Associate Head Coach Bernie Fine and Assistant Head Coaches Mike Hopkins and Troy Weaver, deserve much credit for the outstanding determination and accomplishments of their young team; and

Whereas the students, alumni, faculty, and supporters of Syracuse University are to be congratulated for their commitment and pride in their national champion men's basketball team: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the Syracuse University men's basketball team for winning the 2003 NCAA Division I men's basketball national championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff and invites them to the United States Capitol Building to be honored;

(3) requests that the President recognize the achievements of the Syracuse University men's basketball team and invite them to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs Secretary of the Senate to make available enrolled copies of this resolution to Syracuse University for appropriate display and to transmit an enrolled copy of this resolution to each coach and member of the 2003 NCAA Division I men's basketball national championship team.

SENATE RESOLUTION 116—COMMEMORATING THE LIFE, ACHIEVEMENTS, AND CONTRIBUTIONS OF AL LERNER

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

S. RES. 116

Whereas Alfred Lerner (''Al'' to those who knew him best) was a successful, humble, compassionate, and well respected member of his family and community whose life was devoted to civic involvement and efforts to improve the quality of education and health care available to his fellow citizens;

Whereas Al Lerner was born in Brooklyn, New York in 1933, graduated from Brooklyn Technical High School in 1951, and received a B.A. from Columbia College in 1955;

Whereas Al Lerner was a Marine Corps officer and pilot from 1955 through 1957, displaying his love of country by wearing his Marine Corps cap long after finishing his tour of duty, and later was a director of the Marine Corps Law Enforcement Foundation;

Whereas Al Lerner was the son of Russian immigrants, and in 2002 received the Ellis Island Medal of Honor, which celebrates immigrant heritage and individual achievements;

Whereas Al Lerner and his high school sweetheart, best friend, and partner in life, Norma Lerner, shared 47 years of marriage and were deeply committed to their 2 children, Randy and Nancy;

Whereas Al and Norma Lerner made extremely generous contributions to local and national charities, including a contribution of $10,000,000 in 1993 to Rainbow Babies and Children's Hospital in Cleveland, a donation of $16,000,000 to support construction of the Lerner Research Institute, and a donation of $100,000,000 to the Cleveland Clinic—one of the largest donations to academic medicine in the history of the United States;

Whereas Al Lerner served as president and trustee of the Cleveland Clinic Foundation

where the Lerner Research Institute was established to conduct research of new treatments for cancer, coronary artery disease, and AIDS;

Whereas Al Lerner, along with his business partner Carmen Policy, reestablished a National Football League team in Northern Ohio when he purchased the expansion Cleveland Browns football organization in 1998, worked hard to make the people of Cleveland and Northern Ohio proud of their football team, and was subsequently appointed chairman of the National Football League Finance Committee;

Whereas the Cleveland Browns, on the strength of Al Lerner's leadership, reached the National Football League playoffs following the 2002 season, only 4 years after returning to the league;

Whereas Al Lerner served as founder, chairman, and chief executive of MBNA Corporation, which employs thousands of people in Ohio and is the Nation's largest issuer of independent credit cards;

Whereas Al Lerner served as vice chairman, trustee, and benefactor of Columbia College, which is now known as Columbia University, and also served as a trustee for Case Western Reserve University and New York Presbyterian Hospital;

Whereas Al Lerner helped raise funds, through his affiliation with MBNA and the Cleveland Browns, for the ''Cleveland Browns Hero Fund'' to aid families from the New York City Fire and Police Departments who suffered the loss of a parent in the tragic September 11, 2001, terrorist attacks;

Whereas Al Lerner was appointed in 2001 by President Bush as 1 of 15 members of the President's Foreign Intelligence Advisory Board, which advises the President concerning the quality and adequacy of intelligence collection, intelligence analysis and estimates, counter-intelligence, and other intelligence activities;

Whereas Al Lerner is survived by his wife, partner, and best friend, Norma, their son Randy, their daughter Nancy, and 7 grandchildren; and

Whereas Al Lerner passed away on October 23, 2002, and the contributions he made to his family, his community, and his Nation will not be forgotten: Now, therefore, be it

Resolved, That the Senate—

(1) honors the life, achievements, and contributions of Alfred Lerner; and

(2) extends its deepest sympathies to the family of Alfred Lerner for the loss of a great and generous man.

AMENDMENTS SUBMITTED AND PROPOSED

SA 527. Mr. NICKLES proposed an amendment to the bill S. 476, to provide incentives for charitable contributions by individuals and businesses, to improve the public disclosure of activities of exempt organizations, and to enhance the ability of low-income Americans to gain financial security by building assets, and for other purposes.

SA 528. Mr. LIEBERMAN proposed an amendment to the concurrent resolution S. Con. Res. 31, expressing the outrage of Congress at the treatment of certain American prisoners of war by the Government of Iraq.

TEXT OF AMENDMENTS

SA 527. Mr. NICKLES proposed an amendment to the bill S. 476, to provide incentives for charitable contributions by individuals and businesses, to improve the public disclosure of activities of exempt organizations, and to enhance the ability of low-income Americans to gain financial security by building assets, and for other purposes; as follows:

Beginning on page 26, line 8, strike all through page 36, line 13, and insert the following:

SEC. 107. EXCLUSION OF 25 PERCENT OF GAIN ON SALES OR EXCHANGES OF LAND OR WATER INTERESTS TO NONPROFIT ENTITIES FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by inserting after section 121 the following new section:

''SEC. 121A. 25-PERCENT EXCLUSION OF GAIN ON SALES OR EXCHANGES OF LAND OR WATER INTERESTS TO NONPROFIT ENTITIES FOR CHARITABLE PURPOSES.

''(a) EXCLUSION.—Gross income shall not include 25 percent of the qualifying gain from a qualifying sale of a long-held qualifying land or water interest.

''(b) QUALIFYING GAIN.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying gain' means any gain which would be recognized as long-term capital gain.

''(2) SPECIAL RULE FOR SALES OF STOCK.—If the long-held qualifying land or water interest is 1 or more shares of stock in a qualifying land or water corporation, the qualifying gain is equal to the lesser of—

''(A) the qualifying gain determined under paragraph (1), or

''(B) the product of—

''(i) the percentage of such corporation's stock which is transferred by the taxpayer, times

''(ii) the amount which would have been the qualifying gain (determined under paragraph (1)) if there had been a qualifying sale by such corporation of all of its interests in the land and water for a price equal to the product of the fair market value of such interests times the ratio of—

''(I) the proceeds of the qualifying sale of the stock, to

''(II) the fair market value of the stock which was the subject of the qualifying sale.

''(c) QUALIFYING SALE.—For purposes of this section, the term 'qualifying sale' means a sale or exchange which meets the following requirements:

''(1) TRANSFEREE IS AN ELIGIBLE ENTITY.—The transferee of the long-held qualifying land or water interest is an eligible entity.

''(2) QUALIFYING LETTER OF INTENT REQUIRED.—At the time of the sale or exchange, such transferee provides the taxpayer with a qualifying letter of intent.

''(3) NONAPPLICATION TO CERTAIN SALES.—The sale or exchange is not made pursuant to an order of condemnation or eminent domain.

''(4) CONTROLLING INTEREST IN STOCK SALE REQUIRED.—In the case of the sale or exchange of stock in a qualifying land or water corporation, at the end of the taxpayer's taxable year in which such sale or exchange occurs, the transferee's ownership of stock in such corporation meets the requirements of section 1504(a)(2) (determined by substituting '90 percent' for '80 percent' each place it appears).

''(d) LONG-HELD QUALIFYING LAND OR WATER INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'long-held qualifying land or water interest' means any qualifying land or water interest owned by the taxpayer or a member of the taxpayer's family (as defined in section 2032A(e)(2)) at all times during the 5-year period ending on the date of the sale.

''(2) QUALIFYING LAND OR WATER INTEREST.—

''(A) IN GENERAL.—The term 'qualifying land or water interest' means a real property interest which constitutes—

''(i) a taxpayer's entire interest in land,

''(ii) a taxpayer's entire interest in water rights,

''(iii) a qualified real property interest (as defined in section 170(h)(2)), or

''(iv) stock in a qualifying land or water corporation.

''(B) ENTIRE INTEREST.—For purposes of clause (i) or (ii) of subparagraph (A)—

''(i) a partial interest in land or water is not a taxpayer's entire interest if an interest in land or water was divided in order to create such partial interest in order to avoid the requirements of such clause or section 170(f)(3)(A), and

''(ii) a taxpayer's entire interest in certain land does not fail to satisfy subparagraph (A)(i) solely because the taxpayer has retained an interest in other land, even if the other land is contiguous with such certain land and was acquired by the taxpayer along with such certain land in a single conveyance.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a governmental unit referred to in section 170(c)(1), or an agency or department thereof, or

''(B) an entity which is described in section 170(b)(1)(A)(vi) or section 170(h)(3)(B).

''(2) QUALIFYING LETTER OF INTENT.—The term 'qualifying letter of intent' means a written letter of intent which includes the following statement: 'The transferee's intent is that this acquisition will serve 1 or more of the charitable purposes of the transferee and that the use of the property will continue to be consistent with such purposes, even if ownership or possession of such property is subsequently transferred to another person.

''(3) QUALIFYING LAND OR WATER CORPORATION.—The term 'qualifying land or water corporation' means a C corporation (as defined in section 1361(a)(2)) if, as of the date of the qualifying sale—

''(A) the fair market value of the corporation's interests in land or water held by the corporation at all times during the preceding 5 years equals or exceeds 90 percent of the fair market value of all of such corporation's assets, and

''(B) not more than 50 percent of the total fair market value of such corporation's assets consists of water rights or infrastructure related to the delivery of water, or both.

''(f) TAX ON SUBSEQUENT TRANSFERS OR REMOVALS OF CHARITABLE USE RESTRICTIONS.—

''(1) IN GENERAL.—A tax is hereby imposed on any subsequent—

''(A) transfer by an eligible entity of ownership or possession, whether by sale, exchange, or lease, of property acquired directly or indirectly in—

''(i) a qualifying sale described in subsection (a), or

''(ii) a transfer described in clause (i), (ii), or (iii) of paragraph (4)(A), or

''(B) removal of a charitable use restriction contained in an instrument of conveyance of such property.

''(2) AMOUNT OF TAX.—The amount of tax imposed by paragraph (1) on any transfer or removal shall be equal to the sum of—

''(A) either—

''(i) 20 percent of the fair market value (determined at the time of the transfer) of the property the ownership or possession of which is transferred, or

''(ii) 20 percent of the fair market value (determined at the time immediately after

the removal) of the property upon which the charitable use restriction was removed, plus

''(B) the product of—

''(i) the highest rate of tax specified in section 11, times

''(ii) any gain or income realized by the transferor or person removing such restriction as a result of the transfer or removal.

''(3) LIABILITY.—The tax imposed by paragraph (1) shall be paid—

''(A) on any transfer, by the transferor, and

''(B) on any removal of a charitable use restriction contained in an instrument of conveyance, by the person removing such restriction.

''(4) RELIEF FROM LIABILITY.—The person (otherwise liable for any tax imposed by paragraph (1)) shall be relieved of liability for the tax imposed by paragraph (1)—

''(A) with respect to any transfer if—

''(i) the transferee is an eligible entity which provides such person, at the time of transfer, a qualifying letter of intent, or

''(ii) the transferee is not an eligible entity, it is established to the satisfaction of the Secretary, that the transfer of ownership or possession, as the case may be, will be consistent with charitable purpose of the transferor, and the transferee provides such person, at the time of transfer, a qualifying letter of intent, or

''(iii) tax has previously been paid under this subsection as a result of a prior transfer of ownership or possession of the same property, or

''(B) with respect to any removal of a charitable use restriction contained in an instrument of conveyance, if it is established to the satisfaction of the Secretary that the retention of the restriction was impracticable or impossible and the proceeds continue to be used in a manner consistent with 1 or more charitable purposes.

''(5) ADMINISTRATIVE PROVISIONS.—For purposes of subtitle F, the taxes imposed by this subsection shall be treated as excise taxes with respect to which the deficiency procedures of such subtitle apply.

''(6) REPORTING.—The Secretary may require such reporting as may be necessary or appropriate to further the purpose under this section that any charitable use be in perpetuity.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 121 the following new item:

''Sec. 121A. 25-percent exclusion of gain on sales or exchanges of land or water interests to nonprofit entities for charitable purposes.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges occurring after December 31, 2003, in taxable years ending after such date.

SEC. 107A. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7528. INTERNAL REVENUE SERVICE USER FEES.

''(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

''(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

''(2) other similar requests.

''(b) PROGRAM CRITERIA.—

''(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

''(A) shall vary according to categories (or subcategories) established by the Secretary,

''(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

''(C) shall be payable in advance.

''(2) EXEMPTIONS, ETC.—

''(A) IN GENERAL.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

''(B) EXEMPTION FOR CERTAIN REQUESTS REGARDING PENSION PLANS.—The Secretary shall not require payment of user fees under such program for requests for determination letters with respect to the qualified status of a pension benefit plan maintained solely by 1 or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

''(i) made after the later of—

''(I) the fifth plan year the pension benefit plan is in existence, or

''(II) the end of any remedial amendment period with respect to the plan beginning within the first 5 plan years, or

''(ii) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of subparagraph (B)—

''(i) PENSION BENEFIT PLAN.—The term 'pension benefit plan' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

''(ii) ELIGIBLE EMPLOYER.—The term 'eligible employer' means an eligible employer (as defined in section 408(p)(2)(C)(i)(I)) which has at least 1 employee who is not a highly compensated employee (as defined in section 414(q)) and is participating in the plan. The determination of whether an employer is an eligible employer under subparagraph (B) shall be made as of the date of the request described in such subparagraph.

''(iii) DETERMINATION OF AVERAGE FEES CHARGED.—For purposes of any determination of average fees charged, any request to which subparagraph (B) applies shall not be taken into account.

''(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

''Category	**Average fee**
Employee plan ruling and opinion ..	$250
Exempt organization ruling	$350
Employee plan determination	$300
Exempt organization determination.	$275
Chief counsel ruling	$200.

''(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2007.''.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7528. Internal Revenue Service user fees.''.

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(3) Section 620 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(c) LIMITATIONS.—Notwithstanding any other provision of law, any fees collected pursuant to section 7528 of the Internal Revenue Code of 1986, as added by subsection (a), shall not be expended by the Internal Revenue Service unless provided by an appropriations Act.

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

SA 528. Mr. LIEBERMAN proposed an amendment to the concurrent resolution S. Con. Res. 31, expressing the outrage of Congress at the treatment of certain American prisoners of war by the Government of Iraq; as follows:

In the preamble strike the first 6 whereas clauses, and insert:

Whereas Saddam Hussein has failed to comply with United Nations Security Council Resolutions 678, 686, 687, 688, 707, 715, 949, 1051, 1060, 1115, 1134, 1137, 1154, 1194, 1205, 1284, and 1441;

Whereas the military action now underway against Iraq is lawful and fully authorized by the Congress in Sec. 3(a) of Public Law 107–243, which passed the Senate on October 11, 2002, by a vote of 77–23, and which passed the House of Representatives on the same date by a vote of 296–133;

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, April 9, 2003, at 10 a.m. on transportation and border security.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SUNUNU. 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 Wednesday, April 9 at 10 a.m. to consider Comprehensive Energy Legislation.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Wednesday, April 9 at 9:30 a.m. to conduct a business meeting to mark up legislative bills, nominations, and a resolution.

The meeting will be held in SD 406.

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

COMMITTEE ON FINANCE

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Wednesday, April 9, 2003, at 10 a.m., to hear testimony on the 2003 Annual Report of the Board of Trustees of the Federal Old Age and Survivors Insurance and Disability Insurance Trust Funds.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 9, 2003 at 9:30 a.m. to hold a Business Meeting.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 9, 2003 at 2:30 p.m. to hold a hearing on Trafficking in Women and Children in East Asia and Beyond: A Review of U.S. Policy.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 9, 2003 at 3 p.m. to hold a hearing on Africa Nominations.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 9, 2003 at 4:30 p.m. to hold a hearing on Europe Nominations.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, April 9, 2003 at 9:30 a.m. for a hearing entitled ''Investing in Homeland Security, Challenges on the Front Line.''

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Government Affairs be authorized to met on Wednesda, April 9, 2003 at 9:30 a.m. for a hearing entitled ''Investing in Homeland Security, Challenges on the Front Line.''

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in Executive Session during the session of the Senate on Wednesday, April 9, 2003.

The following agenda will be considered:

Agenda

S. 754, The Improved Vaccine Affordability and Availability Act.

Any nominees that have been cleared for action.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, April 9, 2003, at 10 a.m. in Room 485 of the Hart Senate Office Building to conduct a hearing on S. 285, to authorize the integration and consolidation of alcohol and substance abuse programs and services provided by Indian tribal governments, and for other purposes; S. 558, a bill to elevate the Director of the Indian Health Service to be Assistant Secretary for Indian Health, and for other purposes; and S. 555, to establish the Native American Health and Wellness Foundation, and for other purposes.

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

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate for a roundtable entitled ''SBA Re-Authorization: Non-Credit Programs'' and other matters on Wednesday, April 9, 2003, beginning at 9 a.m. in room 428A of the Russell Senate Office Building.

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

SUBCOMMITTEE ON EMERGING THREATS

Mr. SUNUNU. Mr. President, I ask unanimous consent that the subcommittee on Emerging Threats and Capabilities of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, 2003, at 9:30 a.m., in open session and possibly closed session, to receive testimony on the U.S. Special Operations Command in review of the defense authorization request for fiscal year 2004.

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

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, 2003, at 2:30 p.m., in open session to receive testimony on the readiness of the military services to conduct current operations and execute contingency plans in review of the defense authorization request for fiscal year 2004.

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

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR NO. 32

Mr. MCCONNELL. Mr. President, as in executive session, I ask unanimous consent that on Friday, April 11, the Senate proceed, at a time determined by the majority leader, after consultation with the Democratic leader, to executive session for the consideration, for debate only, of Calendar No. 32, the nomination of Jeffrey Sutton to be U.S. Circuit Judge for the Sixth Circuit. I further ask unanimous consent that following debate on that day, the nomination be set aside and the Senate resume consideration of the nomination on Monday, April 28, for debate only. Further, I ask unanimous consent that following debate on Monday, the nomination be set aside, and on Tuesday, April 29, at a time determined by the majority leader, after consultation with the Democratic leader, the Senate proceed to a vote on the confirmation of the nomination, with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, we appreciate the majority working with us on this nomination. I am sure it is conversely appreciated, our working with them on this nomination. The majority leader indicated he had the intention of filing cloture on this nomination today. We have been able to work out an arrangement, so this will be unnecessary.

I only ask that when the majority leader sets a time on Tuesday, he give some consideration to having the vote after the time set for our party caucuses.

Mr. MCCONNELL. Mr. President, I say to my friend from Nevada, we will be glad to take that under advisement and discuss that possibility.

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

NUTRIA ERADICATION AND CONTROL ACT OF 2003

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 273, just received from the House and which is now at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 273) to provide for the eradication and control of nutria in Maryland and Louisiana.

The PRESIDING OFFICER. Is there objection to proceeding to the bill at this time?

Mr. REID. Mr. President, I have no objection to proceeding to the measure, but I ask the distinguished majority whip, is this the rat eradication bill?

Mr. MCCONNELL. The nutria eradication bill.

Mr. REID. Is that the rat eradication?

Mr. MCCONNELL. It certainly is.

Mr. REID. Yes, I think so.

There being no objection, the Senate proceeded to consider the bill.

Mr. SARBANES. Mr. President, this legislation would reauthorize and expand the Nutria Control Project established under Public Law 105–322 to help address the non-native rodent nutria which is destroying wetlands and valuable habitat at and around Blackwater National Wildlife Refuge on the Eastern Shore of Maryland and in Louisiana. Sponsored by my colleague, Representative WAYNE GILCHREST, the legislation authorizes $4 million in grant assistance to the State of Maryland and $2 million to the State of Louisiana for each of the next 5 fiscal

years to help alleviate this invasive problem.

Blackwater National Wildlife Refuge and its surrounding wetlands are being threatened by the prolific and highly invasive non-indigenous species nutria which is destroying the tidal marshes and even displacing other native species. Over the past three decades, the population of nutria in Maryland has grown exponentially from about 150 to as many as 150,000—a thousand fold increase. During that same period, Blackwater National Wildlife Refuge has lost more than 40 percent of its marshes—approximately 7000 of 17,000 acres—due, in large part, to nutria. As nutria population densities continue to increase, so does the range of the creature and its associated ecological damage. According to the U.S. Fish and Wildlife Service, every Maryland county south of the Chesapeake Bay Bridge on both the eastern and western shores has reported nutria. Without action, resource managers believe that valuable habitat will continue to be lost at an accelerated rate, numerous fish and wildlife resources will be impacted, and the range and distribution of this invasive species will continue to expand.

In 1998, the Congress enacted legislation Public Law 105–322—authorizing $2.9 million for a 3-year pilot project designed to develop techniques to control nutria populations and to restore degraded marsh habitat. Over the past 3 years, approximately $2 million has been appropriated for studies of the reproductive capacity of the species, methods to eradicate nutria populations, and prospects for restoring wetlands destroyed by the critter along Maryland's Eastern Shore. The authorization expired in September 2002, and new legislation is needed to move to the next phase of a control and ultimately an eradication program. Results of the project in phase II are expected to be applicable throughout the range of nutria in North America, which includes 15 States and potentially over 1 million acres of marsh habitat on national wildlife refuges.

This legislation authorizes the Federal funds necessary to carry out the program. I urge adoption of the legislation.

Mr. MCCONNELL. I ask unanimous consent that the bill be read three times, passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

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

The bill (H.R. 273) was read the third time and passed.

NATIONAL YOUTH SERVICE DAY

Mr. MCCONNELL. I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 112, which was submitted earlier today by Senators MURKOWSKI and AKAKA.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 112) designating April 11th, 2003, as National Youth Service Day, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Ms. MURKOWSKI. Mr. President, I rise in support of S. Res. 112, a resolution that requests the President of the United States to designate April 11, 2003 as ''National Youth Service Day,'' acknowledges the remarkable community service efforts of youth today, and encourages all people to recognize and support the significance of these contributions.

NYSD is a public awareness and education campaign that highlights the extraordinary contributions that young people make to their communities throughout the year. On this day, youth from across the United States and the world will carry out community service projects in areas ranging from hunger to literacy to the environment. NYSD is the largest service event in the world with over three million participants. NYSD brings a diverse group of local, regional, and national partners together to support and promote youth service.

As a mother of two young sons, I understand the importance of recognizing and supporting the positive contributions that youth make to our country and the world each and every day. It is imperative to keep young people active and motivated, and instilled with a sense of community responsibility. Volunteer work gives youth an outlet to gain this responsibility, and to learn valuable skills that are essential to personal and academic achievement.

I thank my colleagues—Senators AKAKA, BAUCUS, BIDEN, BROWNBACK, BUNNING, CAMPBELL, CLINTON, COCHRAN, COLLINS, DEWINE, DOMENICI, DURBIN, JOHNSON, KENNEDY, LANDRIEU, LUGAR, MIKULSKI, MURRAY, and STEVENS—for co-sponsoring this worthwhile legislation, which will ensure that youth across the country and the world know that all of their hard work is greatly appreciated.

Mr. MCCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The resolution (S. Res. 112) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 112

Whereas National Youth Service Day is an annual public awareness and education campaign that highlights the amazing contributions that young people make to their communities throughout the year;

Whereas the goals of National Youth Service Day are to mobilize youths to identify and address the needs of their communities through service, recruit the next generation of volunteers, and educate the public about the contributions young people make as community leaders throughout the year;

Whereas young people in the United States are volunteering more than has any generation in American history;

Whereas the ongoing contributions young people make to their communities throughout the year should be recognized and encouraged;

Whereas young people should be viewed as the hope not only of tomorrow, but of today, and should be valued for the inherent idealism, energy, creativity, and commitment that they employ in addressing the needs of their communities;

Whereas there is a fundamental and absolute correlation between youth service and lifelong adult volunteering and philanthropy;

Whereas, through volunteer service and related learning opportunities, young people build character and learn valuable skills, including time management, teamwork, needs-assessment, and leadership, that are sought by employers;

Whereas service-learning, an innovative teaching method combining service to the community with classroom curriculum, is a proven strategy to increase academic achievement;

Whereas National Youth Service Day was first organized in 1988 by Youth Service America and the Campus Outreach Opportunity League, and is now being observed in 2003 for the 15th consecutive year;

Whereas Youth Service America continues to expand National Youth Service Day, now engaging millions of young people nationwide with 50 Lead Agencies in nearly every State to organize activities across the United States;

Whereas Youth Service America has expanded National Youth Service Day to involve over 60 National Partners;

Whereas National Youth Service Day has inspired Global Youth Service Day, which occurs concurrently in 127 countries and is now in its fourth year; and

Whereas young people will benefit greatly from expanded opportunities to engage in meaningful volunteer service: Now, therefore, be it

Resolved,

SECTION 1. RECOGNITION AND ENCOURAGEMENT OF YOUTH COMMUNITY SERVICE.

The Senate recognizes and commends the significant contributions of American youth and encourages the cultivation of a common civic bond among young people dedicated to serving their neighbors, their communities, and the Nation.

SEC. 2. NATIONAL YOUTH SERVICE DAY.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the President should designate April 11, 2003, as ''National Youth Service Day''.

(b) PROCLAMATION.—The Senate requests the President to issue a proclamation—

(1) designating April 11, 2003, as ''National Youth Service Day''; and

(2) calling on the people of the United States to—

(A) observe the day by encouraging and engaging youth to participate in civic and community service projects;

(B) recognize the volunteer efforts of our Nation's young people throughout the year; and

(C) support these efforts as an investment in the future of our Nation.

NCAA DIVISION I WOMEN'S BASKETBALL CHAMPIONSHIP

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 113 submitted earlier by Senators DODD and LIEBERMAN.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 113) commending the Huskies of the University of Connecticut for winning the 2003 NCAA Division I Women's Basketball Championship.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DODD. Mr. President, I rise today to acknowledge the outstanding accomplishments of this year's NCAA women's basketball champions—the University of Connecticut Huskies—and offer, along with my colleague Senator LIEBERMAN, a Senate resolution commending the Huskies for another phenomenal season.

Sports and other forms of entertainment have taken a backseat over the past few weeks, and rightfully so, as our full national attention has been focused on our brave service men and women risking—and some losing—their lives in our war with Iraq.

The beginning of this year's NCAA tournament coincided almost to the hour with the beginning of America's war with Iraq. For millions of Americans who eyes were glued to the television watching live coverage of our swift invasion, and whose hearts and prayers remain with our troops overseas, the NCAA tournament offered us all a much needed diversion.

Compared to the stakes in the real battles being fought by our young men and women in cities and towns across Iraq, the stakes in this year's tournament seem very insignificant.

But watching the NCAA tournament reminded us of the simple joy we feel from witnessing America's finest young athletes engage in the heights of competition.

And for thousands of soldiers who watched the games live by satellite in the Persian Gulf, it gave them a little taste of home, where, it is my hope, they will be returning very, very soon.

I would like to take a few moments to commend all the participants in the men's and women's basketball tournament this year. I want to especially congratulate the Syracuse Orangemen for their victory over Kansas on Monday night in the men's championship game.

It was truly a spectacular year for the Big East, which also included St. John's winning the NIT championship.

But most of all, I would like to specifically recognize the UConn Lady Huskies for their tremendous accomplishments this season, culminating with winning the national championship over their arch-rival Tennessee last night, by a score of 73–68.

A casual observer picking up a newspaper today might remark, ''UConn wins. Just like every year.'' And indeed, this marks the second straight year, and the third time in the last four years, that the Lady Huskies have ended the season as champions.

But anyone who has followed UConn knows that this year was not just like any other year—and it certainly wasn't like last year. Last season, an undefeated UConn team, led by four outstanding All-American seniors—Sue Bird, Swin Cash, Tamika Williams, and Asjha Jones—won its games by an average of 35 points.

After these four women graduated—each one moving on to play professionally in the WNBA—many pundits believed that a younger, less experienced UConn team filled with underclassmen, and not a single senior, had little chance to win much of anything this season. To many, this was considered a rebuilding year. Preseason polls had the Huskies ranked as low as 12th in the Nation.

Yet through grit, determination, talent, teamwork—and an exceptional coaching staff led by Geno Auriemma—the Huskies exceeded all expectations. They opened the season with 31 straight wins, extending their record winning streak to 70 games—one of the greatest streaks in the history of team sports.

After moving with relative ease through the first few rounds of the NCAA tournament, they survived a grueling test against Texas in the semifinal game last Sunday night, when they rallied from a 9-point deficit with 12 minutes remaining to win by only two points. And last night, they held off a furious late rally by Tennessee.

As usual, the tremendous play of two-time All-American junior Diana Taurasi sparked the Huskies to victory. This year, Ms. Taurasi sparked the Huskies to victory. This year, Ms. Taurasi rewrote the record books, as she put together one of the most outstanding seasons in the history of women's college basketball. She was recognized as the player of the year by every organization that gives out that honor, and was also named the Most Outstanding Player of the NCAA East Regional and the Final Four.

Her 157 points in the NCAA tournament represented the third highest total in history. And her on and off court leadership was a steadying force for such a young team, prompting one of her teammates to describe her as ''the most amazing leader you could ask for.''

But it was not only Diana Taurasi who won the championship for UConn. In fact, in the final game, despite scoring 28 points, she did not score a single point in the last 6 minutes. Instead, she relied upon her teammates to take center stage. The final free throws that inched the team closer to victory were made by a freshman, Ann Strother, who played one of the best games of her young career. And the steal that clinched the game was made by a sophomore reserve, Defensive Player of the Year, Ashley Battle.

Last night's game showed all of America what we in Connecticut have known for years: that the Lady Huskies are not a collection of individual players, but a team in every sense of the word.

Though the players all played their hearts out this year, UConn's success is also a testimony to their outstanding coach, Geno Auriemma. This year, Coach Auriemma was recognized for the fourth time as the Coach of the Year by the Associated Press and by the United States Basketball Writers Association. In his amazing 18 years as head coach of the Huskies, he has won 501 games and lost only 99.

His success has made him one of the most recognizable figures in the Nutmeg State. Coach Auriemma has taught his players not only how to win, but how to do so with grace.

In an age when sportsmanship has become almost a forgotten word, UConn women stand as a model which all young children can emulate, extending helping hands to fallen opponents and congratulating them after a game's conclusion.

And every single student-athlete brought to UConn by Coach Auriemma has received her undergraduate degree.

The success of the Lady Huskies has extended far beyond their own team. During their recent dynasty, women's basketball, and women's athletics in general, have risen to new prominence. This year, for the first time ever, all 63 games in the women's NCAA tournament were televised nationally. Over 28,000 fans attended last night's title game at the Georgia Dome in Atlanta, and millions more watched on television.

I am proud that the UConn Huskies have contributed to the flourishing of women's sports in America. Anyone who watched last night's game knows why this is so: the athletic ability of these women is truly amazing, matched only by their intensity and enthusiasm. And the caliber of women's basketball will only continue to get better and better as more and more young girls are inspired by these athletes to play sports in elementary and high school.

I would like to recognize every member of the Huskies: players Ashley Valley, Diana Taurasi, Maria Conlon, Stacey Marron, Morgan Valley, Nicole Wolff, Ashley Battle, Willnett Crockett, Jessica Moore, Barbara Turner, Ann Strother, Head Coach Geno Auriemma, Associate Head Coach Chris Dailey, and Assistant Coaches Tonya Cardoza and Jamelle Elliott.

I would also like to congratulate the runners-up, the University of Tennessee Volunteers, and their Head Coach Pat Summitt, for an outstanding season as well. For years, Tennessee has been synonymous with success in women's basketball, and there is no doubt that when the Huskies won last night, they beat the best.

With the great joy and pride that I and all Connecticut residents feel right now, I am almost sorry to see the season end. But with every single member of the team set to return next year. I am already looking forward to another great season. If anyone can top this year's accomplishments, I know the Huskies can.

I yield the floor.

Mr. LIEBERMAN. Mr. President, I rise today to congratulate the University of Connecticut Huskies on their national championship, the fourth in the school's history. With their impressive 73–68 victory over the Tennessee Lady Vols, another powerhouse program, the Huskies proved that they could do much more than rebuild their team after last year's undefeated season. The Huskies showed that they could repeat as the best team in the land. That makes them just the third repeat champion in women's college basketball history.

With this victory, the great Geno Auriemma—national coach of the year—has earned a place, alongside Jim Calhoun of course, as one of the best basketball coaches in America. Diana Taurasi, the Naismith Player of the Year and the Final Four's Most Outstanding Player, has become a full-fledged superstar. And the rest of this young team has demonstrated a harmony and chemistry that are almost impossible to match, especially for such a young group. Do you realize this is the first team ever to win the championship without a senior on the roster? That says a lot about the coaching prowess of Geno, the leadership of Diana, and the spirit of the UConn program.

This season, things did not come quite as easy as they did in the last one. Last year, the program dominated with its four superstar seniors and its then-sophomore phenom. This time, many, many games were close. Sometimes they came close to blowing big leads. They even lost . . . once. Honestly, after their record-breaking 70-game winning streak, that single loss in an otherwise perfect season was big, big news in my State of Connecticut.

But this team did not flinch. They did not waver. They kept their eyes on the prize and reached down into their gut, game after game.

The championship game itself was no different. It was intense, hard fought. Everybody found a way to contribute. Tough play in the paint, graceful outside shooting. Strong defense. And ''D''—that's Diana—scored 28 in a passionate and poised performance. After the game, she was humble about it. ''No superstars, just blue collar,'' she said.

In the process, Connecticut-Tennessee has become, hands down, the best rivalry in women's college basketball. The Huskies against the Vols. Geno Auriemma against Pat Summit, both basketball legends. And, with my condolences to the Tennessee delegation, I must say proudly that Connecticut has the upper hand, with four straight victories over the Lady Vols, including in the 1995, 2000, and 2003 title games.

I do not want to get mushy here, but when speaking of the Huskies, it is hard to stop myself from wagging my tail with joy. All of Connecticut, and especially girls who love basketball like my daughter, are cheering today, and eager to welcome the Huskies home for a victory celebration.

With so much success already under the belt of this great program, it is hard to say that we are surprised by what they have accomplished yet again. But with such a remarkable road to their second straight title, it is easy to say we are proud.

Mr. MCCONNELL. I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

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

The resolution (S. Res. 113) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 113

Whereas the University of Connecticut women's basketball team won its third national championship in 4 years by defeating arch-rival University of Tennessee by the score of 73 to 68;

Whereas the Huskies finished the 2002–2003 season with a record of 37 wins and 1 loss, and have now won 76 of their last 77 games;

Whereas during the 2002–2003 season the Huskies won their 70th game in a row, setting a new record for NCAA Division I Women's Basketball;

Whereas Coach Geno Auriemma has been coaching the Huskies for 18 years, and achieved his 500th career win this season;

Whereas Coach Auriemma won his second-straight Coach of the Year honor this year;

Whereas Diana Taurasi was chosen as the national women's player of the year, and the NCAA Tournament's most valuable player;

Whereas Ashley Battle was chosen as Big East defensive player of the year;

Whereas the high caliber of the Huskies in both athletics and academics has significantly advanced the sport of women's basketball and provided inspiration for future generations of young men and women alike; and

Whereas the Huskies unparalleled success continues to bring enormous pride and joy to the people of Connecticut and to sports aficionados around the country: Now, therefore, be it

Resolved, That the Senate commends the Huskies of the University of Connecticut for—

(1) completing the 2002–2003 women's basketball season with a record of 37 wins and 1 loss, including winning their record 70th game in a row; and

(2) winning the 2003 NCAA Division I Women's Basketball Championship, their fourth national championship.

HONORING THE LIFE OF NBC REPORTER DAVID BLOOM

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 114, introduced earlier today by Senators DAYTON and COLEMAN.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 114) honoring the life of NBC reporter David Bloom, and expressing the deepest condolences of the Senate to his family on his death.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements thereto be printed in the RECORD.

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

The resolution (S. Res. 114) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 114

Whereas the Senate has learned with sadness of the death of NBC Reporter David Bloom;

Whereas David Bloom, a native of Edina, Minnesota, greatly distinguished himself by his rapid rise in the field of journalism;

Whereas, most recently, David Bloom was embedded with the Third Infantry Division of the United States Army to provide in-depth reporting on the war in Iraq;

Whereas David Bloom, as a skilled and determined reporter, covered many major news stories for NBC News, including reporting from Israel on the escalating violence in the Middle East, the recovery efforts from Ground Zero after September 11, 2001, the war on terrorism at home, and the Washington, D.C., sniper story;

Whereas, while covering the White House beat between 1997 and 2000, David Bloom reported on the Maryland Peace Summit with Yassir Arafat and Benjamin Netanyahu, on Operation Desert Fox in Iraq, and on the NATO air campaign in Kosovo;

Whereas, prior to being named White House Correspondent, David Bloom was a Los Angeles-based correspondent for NBC News, where he reported extensively on the Unabomber, the Freeman ranch standoff, and the war in Bosnia;

Whereas David Bloom was a co-recipient of the 1992 George Foster Peabody Award, a winner of the Radio-Television News Directors Association Edward R. Murrow Award for his coverage of Hurricane Andrew, and a 1991 Regional Emmy Award winner for Investigative Journalism for his report on the shipment of arms to Iraq from south Florida;

Whereas David Bloom was a devoted husband to his wife, Melanie, and a proud father to three exceptional daughters, Nicole, Christine, and Ava; and

Whereas David Bloom's life was distinguished for its great ambition, multitude of accomplishments, standards of excellence, dedication to family, and important contributions to the dissemination of unbiased information to citizens throughout the country: Now, therefore, be it

Resolved, That the Senate—

(1) pays tribute to the outstanding career and devoted work of David Bloom;

(2) expresses its deepest condolences to his family; and

(3) directs the Secretary of the Senate to transmit an enrolled copy of this resolution to the family of David Bloom.

CONGRATULATING SYRACUSE UNIVERSITY MEN'S BASKETBALL TEAM

Mr. MCCONNELL. Mr. President, I ask unanimous consent the Senate proceed to immediate consideration of S. Res. 115, submitted earlier today by Senators SCHUMER and CLINTON.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 115) congratulating the Syracuse University men's basketball team for winning the 2003 NCAA Division I men's basketball national championship.

There being no objection, the Senate proceeded to consider the resolution.

SYRACUSE NATIONAL CHAMPIONS

Mr. SCHUMER. Mr. President, as all of America now knows, Syracuse defeated Kansas in the national championship Monday night 81 to 78. This is the Syracuse Orangemen's first national championship. My, how long we have waited. But my, how sweet and deserved victory is.

As you remember, in 1987, in New Orleans, the same building, the same site as this year's championship, Syracuse lost to Indiana by 1 point on an acrobatic shot by Keith Smart. Coach Jim Boeheim said: ''I think that building owed us.'' Well, the building did, and Syracuse is now the national champion.

In a time of war, when so much sorrow is among us, it is a time for a little happiness, the happiness that the Orangemen brought New Yorkers, soldiers overseas who follow the game, and the tens and tens and tens of thousands of Syracuse fans across New York State and across the country.

This is Jim Boeheim's first national championship. He has been coach for 27 years. His loyalty to his alma mater, Syracuse, is unparalleled. Now, Boeheim has been criticized for not being able to win the big game, but he has quieted his critics and has established himself as a legitimate candidate for the Hall of Fame. He called the win not a validation of his coaching skills but a testament to the talent of his players—typical of Jim Boeheim's modesty. This Syracuse team is a model for all of America. They have persisted and persisted and persisted. Coach Boeheim persisted and persisted and persisted, and we so admire him. His heart belonged to Syracuse.

Jim Boeheim is Mr. Syracuse. As the old story goes, Boeheim was sitting on the beach in Hawaii with his former assistant, Rick Pitino, and Pitino's wife, Joanne. Someone posed a question: If you could live anywhere, where would it be?

Rick picked San Francisco, and his wife Joanne picked New York City. ''Syracuse,'' Boeheim said. ''Hawaii was just Syracuse in July,'' Boeheim sniffed. ''For 8 months a year, it's the best weather in the country, and the other 4 months we are playing basketball.''

Well, the Orangemen had an amazing story this year. They came in to the season as underdogs, not even earning a ranking in the ESPN/USA Today coaches poll until February. They stormed through the regular season, finishing tied for first in the Big East, with a 13–3 record. They finished the regular season 24–5 overall.

Of course, one of the biggest stories is the youth of this team. Where have we ever seen—ever—two freshmen guards lead as well as they have?

Carmelo Anthony, a freshman and leader of the team, had 20 points Monday night, with 10 rebounds and seven assists in the final game against Kansas. You could see the pain on his face. He was playing with an injured back, but he kept going and going, as he has done all season. He scored a career high 33 points and had 14 rebounds against Texas in the semifinal. Many scouts believe he could be the No. 1 or No. 2 draft pick this year in the NBA lottery.

How about Gerry McNamara, that feisty Irishman, a freshman point guard. He was huge in the championship game. In the first half, he hit six 3-pointers and scored 18 points.

Hakim Warrick, only a sophomore, made the biggest play of the game. As all of us were sitting around holding our breath as Kansas came within three points, with 1.5 seconds left, Warrick made an amazing block of Michael Lee's 3-point attempt that would have tied the game.

What a game it was, Mr. President. What a victory for Syracuse. All of central New York is cheering. It is 80 degrees and that orange sun is shining brightly over Syracuse in central New York this afternoon, and it will continue to do so for a long time. Because Syracuse has so many proud alumni and fans from one end of New York State to the other, there is a smile across our State this afternoon spreading from Buffalo to New York City.

Mr. President, we are proud of the coach, Jim Boeheim; we are proud of the team, the great Orangemen; we are proud of the university, Syracuse University.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. I ask unanimous consent the resolution and preamble be agreed to en bloc and the motion to reconsider be laid upon the table without intervening objection or debate, and any statements be printed in the RECORD.

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

The resolution (S. Res. 115) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 115

Whereas on Monday, April 7, 2003, the Syracuse University Orangemen men's basketball team won its first Division I national basketball championship;

Whereas Syracuse University won the championship game by defeating the University of Kansas Jayhawks 81 to 78;

Whereas the Syracuse University team was led by freshman Carmelo Anthony, who was voted Most Outstanding Player of the Final Four, and received outstanding effort and support from Gerry McNamara, Billy Edelin, Kueth Duany, Hakim Warrick, Craig Forth, Jeremy McNeil, and Josh Pace;

Whereas the roster of the Syracuse University team also included Tyrone Albright, Josh Brooks, Xzavier Gaines, Matt Gorman, Gary Hall, Ronneil Herron, and Andrew Kouwe;

Whereas Head Coach Jim Boeheim has coached at Syracuse University for 27 years and been involved with the Syracuse University men's basketball team for more than half his life;

Whereas Coach Boeheim had previously coached in 2 national championship games, including a heartbreaking loss in 1987;

Whereas Coach Boeheim and his coaching staff, including Associate Head Coach Bernie Fine and Assistant Head Coaches Mike Hopkins and Troy Weaver, deserve much credit for the outstanding determination and accomplishments of their young team; and

Whereas the students, alumni, faculty, and supporters of Syracuse University are to be congratulated for their commitment and pride in their national champion men's basketball team: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the Syracuse University men's basketball team for winning the 2003 NCAA Division I men's basketball national championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff and invites them to the United States Capitol Building to be honored;

(3) requests that the President recognize the achievements of the Syracuse University men's basketball team and invite them to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs Secretary of the Senate to make available enrolled copies of this resolution to Syracuse University for appropriate display and to transmit an enrolled copy of this resolution to each coach and member of the 2003 NCAA Division I men's basketball national championship team.

ORDERS FOR THURSDAY, APRIL 10, 2003

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. Thursday, April 10. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and there be a period of morning business until 11 a.m. with the first 30 minutes equally divided between Senator HUTCHISON and the minority leader or his designee, and the remaining time

until 11 a.m. be equally divided between the two leaders or their designees.

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

PROGRAM

Mr. MCCONNELL. For the information of all Senators, the Senate will be in a period of morning business tomorrow until 11 a.m. Following morning business, the Senate may address any of the following items: The FISA bill, if a unanimous consent can be reached; the PROTECT Act conference report; and the nomination of Priscilla Owen to be U.S. circuit judge; the BioShield bill; and any other conference reports that may become available, including the budget and supplemental conference reports. Members should expect rollcall votes throughout the day.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MCCONNELL. If there is no further business to come before the Senate, I ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:30 p.m., adjourned until Thursday, April 10, 2003, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 9, 2003:

DEPARTMENT OF COMMERCE

JAMES J. JOCHUM, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE FARYAR SHIRZAD.

THE JUDICIARY

WILLIAM H. PRYOR, JR., OF ALABAMA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE ELEVENTH CIRCUIT, VICE EMMETT RIPLEY COX, RETIRED.

THOMAS M. HARDIMAN, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA, VICE WILLIAM L. STANDISH, RETIRED.

J. RONNIE GREER, OF TENNESSEE, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF TENNESSEE, VICE THOMAS G. HULL, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 9, 2003:

THE JUDICIARY

DEE D. DRELL, OF LOUISIANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF LOUISIANA.

RICHARD D. BENNETT, OF MARYLAND, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MARYLAND.