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No. 16

## Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable LINCOLN D. CHAFEE, a Senator from the State of Rhode Island.

### PRAYER

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

Gracious Father, we join Americans across the Nation in celebrating the 90th birthday of President Ronald Reagan. On this day, Democrats and Republicans unite in thanking You for Ronald Reagan's life and leadership, his patriotism and character, and his wisdom and vision. Our prayers for our former President and friend lift us above politics as we pray that You will tenderly care for him in these days of illness and recovery from surgery. In Your wondrous grace, penetrate to the depths of his soul with Your comfort and assurance of our admiration. Through Your Spirit, may he somehow feel the love that overflows from the hearts of people here in the Senate and throughout the land.

Dear Lord, bless Nancy Reagan as she continues to care for the President with indefatigable devotion and courageous love. Be with the family as they celebrate this day with the joy of wonderful memories and deep affection. We renew our commitment to pray for and support the research seeking a cure for Alzheimer's disease. Now we invite You to fill this Chamber with Your presence and each Senator with Your power for the work of this day. You are our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable LINCOLN D. CHAFEE led the Pledge of Allegiance, as follows:

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

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, February 6, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable LINCOLN D. CHAFEE, a Senator from the State of Rhode Island, to perform the duties of the Chair.

STROM THURMOND,  
President pro tempore.

Mr. L. CHAFEE thereupon assumed the chair as Acting President pro tempore.

### RECOGNITION OF THE ACTING MAJORITY LEADER

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

### SCHEDULE

Mr. NICKLES. Mr. President, today the Senate will be in a period for morning business until 12:30 p.m., with Senators DURBIN, DASCHLE, and HUTCHISON in control of the time. By previous consent, at 12:30 p.m. the Senate will recess for the weekly party conference meetings. Upon reconvening at 2:15 p.m., the Senate will begin consideration of the nomination of Robert Zoellick to be U.S. Trade Representative. There will be up to 2 hours debate on the nomination, with a vote scheduled to occur at 4:15 p.m.

I thank my colleagues for their attention.

### MEASURE PLACED ON CALENDAR—S. 235

Mr. NICKLES. Mr. President, I understand there is a bill at the desk due for its second reading.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows: A bill (S. 235) to provide enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes.

Mr. NICKLES. Mr. President, I object to further proceedings on this bill at this time.

The ACTING PRESIDENT pro tempore. The bill will be placed on the calendar.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Mr. President, could I ask, what are the terms of morning business?

### RESERVATION OF LEADER TIME

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

### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to exceed beyond the hour of 12:30 p.m.

Under the previous order, the time until 10:30 a.m. shall be under the control of the Democratic leader or his designee.

Mr. WELLSTONE. Mr. President, I yield myself 10 minutes.

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

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



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S1027

## EDUCATING CHILDREN

Mr. WELLSTONE. Mr. President, I had a chance to speak before the National School Board Association yesterday. Sometimes it is only when you speak that you realize how strong your conviction is on an issue. I have come to the floor of the Senate to make an appeal to all Senators, starting with Democrats.

The President, in his inaugural speech, talked about leaving no child behind. And the President, in his education proposal, also spoke about leaving no child behind. I think that is a wonderful value and a wonderful vision for our country. That, by the way, is the mission of the wonderful organization called the Children's Defense Fund headed by Marian Wright Edelman.

If we look at the arithmetic of the President's tax cut he is proposing this week for the country, and if we are to stay true to the theme of accountability—the President in his education proposal called for accountability—I would like to hold the administration accountable on the floor of the Senate, and with amendments and with debate, in what I think is going to be a historic debate.

The non-social Security surplus—putting the Social Security trust fund aside—is \$3.1 trillion. President Bush calls for \$1.6 trillion in tax cuts. The argument is: There is \$1.5 trillion left. What is the problem?

The problem is, first of all, when you look at the \$1.6 trillion and when you look at the \$3.1 trillion surplus, it is not really that, because we all know the Medicare trust fund money will be kept separate, and now all of a sudden \$3.1 trillion in surplus becomes \$2.6 trillion. When you add to that the tax extenders—the tax credits that we all know will be extended—and the payments that will go to farmers and other groups of citizens in our country, we are now down to \$2 trillion. And when you understand that there will be Social Security trust fund solvency issues, which, if we do not deal with those issues, will mean that either benefits are cut or the age eligibility goes up, it may be less than \$2 trillion. That is \$2 trillion.

On the other side of the equation, the \$1.6 trillion in tax cuts—once you now understand that we will no longer be paying down part of the debt, and interest payments go up—becomes \$2 trillion—\$2 trillion and \$2 trillion—\$2 trillion in tax cuts, only really \$2 trillion in surplus; and there will be no resources for our investment to leave no child behind. There will be no resources.

So the only thing you have is a proposal, A, with vouchers, which I think is a nonstarter and I think ultimately will be discarded. Then what you have is telling States and school districts: You do tests every year, starting at age 8—third grade—all the way up to eighth grade. But we are setting the schools and the children and our teachers up for failure because we are not

providing any of the resources to make sure that all of those children will not be left behind and will have an opportunity to achieve.

Fanny Lou Hamer is a great civil rights leader from the State of Mississippi. She once uttered the immortal words: I'm sick and tired of being sick and tired.

I am sick and tired of symbolic politics with children's lives. Where in this budget, where in the arithmetic of the tax cuts and the surplus, will there be the investment to make sure that no child is left behind?

Two percent of all the children who could benefit from Early Head Start, 2 years of age and under, benefit today. That is all we have funded.

With only 50 percent of Head Start, only 10 percent for good child care for low-income families, much less middle-income families, when are we going to fully fund the IDEA program, which we made a commitment to school districts and States to do? Not in this budget. Not in this budget.

I say to Senators and, in particular, since the majority leader is on the floor, to Democrats, it is extremely important that we have a civil debate, but it should be a passionate debate. We ought not to believe that in the call for bipartisanship, we should not as Senators speak up for the values and the people we represent. On present course, the best we are going to get is a decade; if we fold and if we do not challenge the tax cut proposals and the plan of this administration, the best we will get is not one dollar for investment in children, in education, in health care, in prescription drug costs; and the worst we will get is deficits going up again.

I would like to, as a Democratic Senator from Minnesota, make three suggestions:

A, we should hold the President and this administration accountable for the words, "leave no child behind." I take that seriously. I don't let anybody get away with saying my goal and my value and my vision is to leave no child behind, when I see only a pittance, if that, of investment in the health and skills and intellect and character of our children so we leave no child behind.

B, Democrats ought to be able to present a set of tax cuts which do not provide the vast majority of the benefits to the top 1 or 5 percent of the population. A lot of what President Bush is unfolding this week doesn't add up. You have the waitress, the single parent, making \$23,000 a year with two children. She is not helped, because the tax cuts are not refundable. These tax cuts overwhelmingly go to the most affluent and powerful citizens. We should be able to present a clear alternative.

Finally, I would be willing to debate anybody, anywhere, anytime, anyplace over tax cuts that go to the very wealthy versus prescription drug costs for elderly people. You don't do that on the cheap. I would be willing to debate

anybody on tax cuts that go to wealthy, high-income citizens versus expanding health care coverage for the 44 million people who have no health insurance at all. I would be willing to debate anybody over tax cuts going primarily to wealthy people versus doing more for children, so when they come to kindergarten they really are ready to learn.

If we can't stand for these values and can't have this debate, then what in the world do we stand for? One more time, I summarize: The \$3.1 trillion becomes about \$2.6, \$2.7 trillion right away, because we are not going to touch the Medicare trust fund money, nor should we. Then we all know we are going to extend the tax credits. So all of a sudden it is about \$2 trillion. And the \$1.6 trillion in tax cuts automatically, once we understand we now have to pay the interest that we wouldn't have paid if we were paying down the debt, goes to \$2 trillion.

Where is going to be the investment in the children? Where is going to be the investment in education? Where is going to be the investment so that we make sure no child is left behind? When are we going to do something about the fact that we have the highest percentage of poor children among all the western European and all the advanced economies in the world? When are we going to do something about the fact that single elderly women also are among the poorest citizens in our country? Where is going to be the investment

You don't proclaim the goal of leaving no child behind and then expect to do this on a tin cup budget. That is all we are getting from this President and his priorities. It is time for debate on the floor of the Senate about the priorities of our country.

I yield the floor.

THE PRESIDING OFFICER (Mr. CRAPO). The majority leader.

Mr. LOTT. Mr. President, I believe the time is reserved for the next hour or 40 minutes or so for the Democratic leadership. Since there is no Democrat seeking recognition at this point, I yield myself time out of my leader time to make some brief remarks.

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

## THE BUDGET

Mr. LOTT. Mr. President, I look forward to the debate the Senator from Minnesota was discussing. I agree; just because we should and will have a civil debate doesn't mean we should not have that debate and lay out our differences of opinion very aggressively and passionately. I look forward to doing that.

The good news today, while there is a lot of gloom and doom in certain corners, is that tax relief is on the way for working Americans. They deserve it. We have a tax surplus, \$5.6 trillion in overpayment by the American people.

Now, we will argue over exactly how that \$5.6 trillion tax surplus should be

used. We agree that Social Security should be set aside, put in a lockbox. If you listened to the campaign debate last year, you would have thought Vice President Gore came up with that idea. He needs to check with Senator DOMENICI and others who actually came up with the idea of having a lockbox on Social Security.

We should continue to pay down the debt in an orderly way, as was suggested by Alan Greenspan, Chairman of the Federal Reserve System, over a period of years, and we can eliminate it earlier than was indicated. We ought to do that on a steady basis. We can have additional investment in areas where we really need it—in education, in health care, even in defense.

To the President's credit, he is saying in the defense area, let's take a look and see what our needs may be in defense; let's look and see if there might be someplace where we can save some money in defense while we clearly are going to have to do more in terms of having readiness and modernization and quality of life for our men and women in the military. We need to assess what we are going to need in the future. He is going about it in an orderly fashion. That is a good idea.

There is no question that working Americans need some tax relief. You talk about breaks for the wealthy. What about the single educated young woman making \$30,000 a year in the 28-percent bracket? That is not rich. We have these brackets now that force people into higher and higher brackets at very low income levels. That is fundamentally unfair. We are talking about tax relief for all Americans across the board. It is very fair to do it that way.

I thought we had fundamental agreement last year that we need to do something about reducing the marriage penalty. The President proposes that we double the child tax credit. I don't believe there are a lot of Democrats who are going to speak against that. He encourages more use of charitable contributions without being first penalized with taxes when you take some of your savings and put it into charity. He has a whole package of good ideas, and it is a very fair proposal because it is across-the-board rate cuts.

There is another benefit here. We are not just talking about the fairness in the Tax Code; we are talking about the need for some economic growth incentives. Look at what President Kennedy did, what President Reagan did, and how much their tax relief was as a percentage of GDP. As a matter of fact, President Bush's proposals are actually below what the Kennedy-Johnson package provided for way back in the 1960s. In each case, we had economic growth; we had an increase of revenue coming into the Federal Government.

The problem was, in the 1980s, we had an insatiable spending appetite by the Democratically-controlled Congress that kept pushing up spending. Unfor-

tunately, we could not convince President Reagan to veto more of those bills. I hope President George W. Bush will press aggressively for his proposal on tax relief. I know he is doing it. He is going today to have an event with a young woman in business to show how this tax relief would help her.

As a matter of fact, we checked on a lady who was here a couple years ago, expressing concern about Government mandates and regulations and taxes, named Harriet Cane from the Sweetlife, a small restaurant in Marietta, GA. She had eight employees. She was struggling to make ends meet. She was doing more and more herself. She did the mopping, the preparation.

Well, we checked with her to see how she is doing. Guess what. She is out of business. She said: What drove me out of business was a lot of things, but Government mandates and regulations and taxes contributed mightily to it. When she heard what President Bush is talking about, she said: That certainly would have helped me. For the young entrepreneur, this tax relief will be very positive.

There is a fundamental difference. There are people here who think that any money we can take from people to bring to Washington, we have the brilliance on how it should be spent.

I have a fundamental faith in the people to decide what they should do with their own money that they worked hard to earn. Now they are paying 28 percent, 15 percent, 33 percent, 36.5 percent. When you add it all up, you still have people in this country paying 40, 50 percent of everything they earn for taxes, to bring it to Washington so the brilliant Members of Congress and the bureaucrats can decide how they think it should be spent.

I don't agree with that. I think the family can decide how to best spend money for their children's needs, whether it is buying clothes or a refrigerator, a different car, or a tutor for education. The same thing is true in education.

States such as Minnesota put a lot of money into education. Other States don't put as much into education. Quality education is not consistent across this country, between States and within States, including my own State.

My State has put a high priority on education. We are beginning to make progress. We are going to be paying teachers more. Our universities have been competing more aggressively for research money in physics, acoustics, and polymerscience.

I still believe education should be run at the local level and decisions should be made there. I think we should have a program that leaves no child behind; we should improve reading, but we should also improve math and science skills.

The Federal Government can help with that. By the way, not everybody even agrees with that. My predecessor—a Democrat, I might add—in

the House and in the Senate thought there was a great concern about the Federal dollar and Federal control following the Federal dollar. I don't agree. I think we have a role to play in early childhood education and elementary and secondary and in higher education. We have been doing a better job in higher education than in elementary and secondary.

I think money should be given to the States and the localities, local education administrators and teachers and parents, with flexibility so they can decide how to spend it. People in Washington don't like it. They want to tell you to spend it here, there, or somewhere else. Pascagoula, MS, might have different needs from Pittsburgh, PA. We may need more teachers, or maybe we need more remedial reading programs, or maybe we need to fix a leaky roof. But the Federal Government doesn't know what the priority is.

We are going to have a good debate. I look forward to it. When I check with my constituents, the people working, paying taxes, pulling the load, people out in the forests who are being told, "By the way, you can't cut trees anymore and you can't have roads to get to those trees," and people working in the shipyards or oil refineries, they are wondering what will happen. They don't have to have a national energy crisis. The problem is we haven't been producing more energy because we want to shut down our resources—coal, oil.

Let's debate education and energy policy and we will get a result. I believe the American people will be better off when we get those done.

If we don't have a budget plan of how to use this tax surplus, it will be spent by the Washington Government. That is a mistake. I think the working people deserve help. Should we be concerned about low-income needs? Yes. We should address that in a variety of ways, and we are going to do that.

Yes, I think it is time to get on with the debate. I commend the President for what he proposed. He will bring it up to the Congress Thursday. We will have a chance to study it. I am pleased that he said let's make the income tax cuts retroactive to the first of the year. I think that will be even more positive for the economy.

#### THE NOMINATION OF ROBERT ZOELICK

Mr. LOTT. Mr. President, there is one other subject on which I want to touch. Later today we will consider the nomination of Robert Zoelick to be the U.S. Trade Representative. That vote will occur at 4:15 p.m. I am satisfied that he will be confirmed, and he should be confirmed. He has a tremendous record in terms of education and experience and previous administrations in the private sector. I believe he will be a strong USTR.

I want to add that I am very much concerned about what I see happening

in the trade area. I want the U.S. Trade Representative to be strong. I am concerned about dictates I have seen in the past by both Democrat and Republican administrations, where the State Department or the Commerce Department goes to the White House and stops our Trade Representative from enforcing the trade laws. Free trade, yes, but also fair trade and enforce the laws on the books.

Canada is not dealing with us fairly when it comes to soft wood lumber and wheat. Our closest neighbor, perhaps our best friend in the world, and we cannot get them to live up to the trade agreement we have with them. While we see increased trade in Mexico and Central America, that is good. We have certain problems with Mexico, too. In Europe, for heavens' sake, the first two decisions that the WTO made the Europeans basically have thumbed their nose at. I suggested to Mr. Zoellick, to quote a former great Senator from Georgia, Richard Russell, "I think we ought to have an American desk at the U.S. Trade Representative's office."

Somebody needs to speak for America and quit quaking in our boots about the diplomatic impact it would have with Canada if we say enforce the law. Enforce the law.

I made that statement to Mr. Zoellick privately and in the Finance Committee hearings, and I am going to do so when he is confirmed. I thought Charlene Barshefsky of the previous administration was a good U.S. Trade Representative up until the last year. Then I think she was overrun by the election year and the State Department and all kinds of other people. I think she was tougher than most Trade Representatives. Overall, she did a good job, particularly in the high-tech area.

In agriculture, she was not quite so good. But I am worried. I have supported all of these trade agreements we voted on over the years—GATT, NAFTA, Africa and CBI trade, and China PNTR. But I am getting really fed up with the way we are being treated by our trading partners. I am even more fed up with the way our administrations don't insist on the laws being enforced. So I have urged Mr. Zoellick to do that. I believe he will. I hope he will. If he does not, I can assure him and this administration and our trading partners that a strong letter to follow and action will be taken to be commensurate with how I feel about this issue.

We have to have some change in how we deal with our trading partners. Now is the time, at the beginning of a new administration. Without being overly critical, it has been both Republican and Democrat administrations. It is time we look after American interests in the trade area as well as in the diplomatic, economic, and military areas.

I know others will say things such as this, and in the Finance Committee some of my friends on the Democratic side were surprised to hear me say this

and liked it. I don't mean to sound as if I am some sort of a traditional protectionist, but fair is fair. I don't think our trading partners are dealing with us fairly right now.

I support this nomination, and I will urge a vote for his confirmation.

I yield the floor.

#### TAX CUTS

Mr. WELLSTONE. Mr. President, I will say to the majority leader that I think his last set of remarks may be the basis of bipartisanship between the two of us. We will keep this civil.

I will also say to the majority leader and others that I can't wait for the debate because he focuses on the \$30,000-a-year family. But anybody who looks at the distribution of benefits of President Bush's tax cut plan will see—I don't know—40 percent of the benefit going to the top 1 percent of the top 5 percent, which is ridiculous. It is like Robin Hood in reverse. Yes, we will make sure there is a set of tax credits to go to middle-income and working-income families. Absolutely.

I will point out one more time—and I didn't hear the majority leader respond to this at all—I want to hold President Bush accountable for these numbers—a \$3.1 trillion non-Social Security surplus becomes 2.6 when you put Medicare trust money aside, which we will do. It becomes \$2 trillion when extending tax credits, and we also provide payments to farmers and other people, which we will do without doubt. The tax cuts go from \$1.6 trillion to \$2 trillion, when you now have to pay the interest on the debt, when you are not paying the debt down, in which case I want to know where are the resources to leave no child behind.

I say to the majority leader that I am more than willing to debate after we provide tax cuts for middle-income working families, whether or not we, in fact, provide some benefits so elderly people can afford prescription drugs versus tax cuts for the wealthy, whether we can expand health care coverage versus tax cuts, or whether or not we will live up to the words of leaving no child behind and make investment in child care and in Head Start and in our schools and fund the IDEA program versus tax cuts for the wealthy.

I think the message President Bush is trying to convey and the majority leader echoes to the people in the country—I all of a sudden find myself being a fiscal conservative—is that we can do it all. There is no free lunch. We can't do it all. We can't have tax cuts disproportionately to the wealthy, erode the revenue base, and at the same time say we are going to leave no child behind; we are going to make an investment in education; we are going to make an investment in covering prescription drugs for the elderly. We can't do both. The people in the country are smart enough to figure that out, and I hope Democrats will engage this administration. The sooner the

better. I don't think we need to wait one more day to have this debate.

Senators and President Bush: You cannot proclaim the vision and the value of leaving no child behind and keep this on a tin cup budget. If we are real about this, we will make the investment in the intellect, the skills, and the character of our children.

This budget is not real. It does not make that commitment to leaving no child behind.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

#### AIRLINE INDUSTRY COMPETITION

Mr. WYDEN. Mr. President, a key principle of economic competition today is that one big merger begets another. Known as copycat mergers, these deals are made when the companies that did not merge first felt forced to copy the initial merger. If those left behind do not merge, then they just can't keep up with the Joneses.

This morning, I am going to focus for a few minutes on competition in the airline industry. I want to begin by saying that when it comes to copycat airline mergers, this country has reached the point where there are virtually no more cats.

This weekend, Americans opened their newspapers to learn that Delta Airlines, the nation's third largest carrier, and Continental, have begun merger discussions. The Associated Press says that Delta and Continental don't even really want to merge. But you guessed it—they say other major airline mergers might drive them to it.

The latest round of airline merger reports comes on the heels of the proposed United-U.S. Airways merger and American's proposed deals with TWA and United.

In my opinion, if nothing is done in the face of these proposed airline mergers, our country is headed down a runway of no return. If this lineup of mergers takes off, it will destroy the last remnants of competition in the airline history.

The trend toward concentration in the airline industry did not begin in the last few weeks. More than 20 consecutive airline mergers were approved in the 1980s.

I believe much of the problem we are seeing today stems from that huge array of airline mergers that took place in the 1980s. In fact, I think the merger between TWA and Ozark sets in motion the trend that began in the 1980s. I come to the floor this morning to say I believe it is time to change course.

The central problem stems from the fact that the major proponents of deregulation have not been willing to simultaneously and vigorously enforce the antitrust laws. As a result, our country gets the worst of both worlds: dominant companies with a choke hold on the market, and nobody setting rules to make sure they don't run

roughshod over the American consumer—the flying public.

The Justice Department, which has been run by officials from both political parties since concentration in the airline industry accelerated, has not fully utilized the antitrust tools at its disposal. As a result, I want to make a proposal this morning: Before the Justice Department clears one more major airline merger, the Federal Trade Commission (FTC) should have to make a public report demonstrating that the merger will not have negative long-term implications for consumers and the economy. The FTC should dig in, hold public hearings to examine these deals, and get to the bottom of the long-term consequences of these airline mergers. It is time to make sure that these mergers don't strand any more airline passengers with too few choices and too many headaches.

The real question is: Is competition in the airline industry working today? In my view, there certainly aren't enough competitive forces in the airline industry to force companies to compete now to improve service.

Actually, some of our constituents report to us that they are left out on the runway for hours with a glass of water. Is it any wonder consumer complaints are at record high levels and some fliers call the departure board at our airports the "delay board"? I think not. I think those problems stem from the lack of competition we are seeing in the airline sector today. This Congress should not stand idly by while a chain reaction of mega-mergers squeezes out whatever competitive juices remain in the airline industry. As I make my proposal for airline mergers this morning, I want to make clear that I am not one who believes that all the mergers taking place in America are bad. Many of the mergers our country is watching have not only not been harmful, they have been beneficial. They have resulted in more efficient companies that ultimately benefit consumers with better service and lower prices.

When it comes to the big airlines, it doesn't look like that's the case. These airline mergers seem to permanently reduce competition. So I believe it's time for Congress and the executive branch to take a time out on airline mergers and assess the long term implications of where the airline industry is headed. The shape of the airline industry created today is one America will have to live with for a long time, and we ought to know what we are getting into. Competition in the airline industry is too important to too many people, who fly to conduct their business and their personal affairs.

Slowing up this airline merger frenzy to look at the long-term consequences, as I propose this morning, is a modest step that the U.S. Congress ought to take now.

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

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

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of S. 249 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

Mr. DORGAN. Mr. President, I understand we are in morning business and I have some time assigned to me; is that correct?

The PRESIDING OFFICER. The Senator is correct. Under the order, the time until 11 a.m. shall be under the control of the Senator from North Dakota.

#### TAX CUTS

Mr. DORGAN. Mr. President, last Friday morning we had an issues conference with the Democratic caucus at the Library of Congress, just across the street from this building. Those of us in the Democratic caucus in the Senate—and there are 50 of us in a 100-person Senate—spent the day talking about the issues we want to raise during this Congress.

We invited President Bush to come by this issues conference, which I believe was unprecedented. As chairman of the Democratic Policy Committee, I recommended we invite the new President. He came and made a very short presentation to us—very general and very cordial. We asked a series of questions, and then he departed. We were very pleased he did come by to our issues conference.

One of the things he said in discussing issues with the Democratic caucus was that when he campaigned for the Presidency, he campaigned on certain issues, and he said: I intend to pursue those issues as President, and there will be time when we disagree, but we should be able to do that without being personal and without being disagreeable. He understands that there are times we will disagree as a matter of public policy, and that is the way democracy works.

There is an old saying that when everyone in the room is thinking the same thing, no one is really thinking

very much. That is certainly true in public policy. The ability in this kind of a setting to have a good aggressive debate on public policy issues, especially controversial issues, benefits the American people. Then we get the best of what everyone has to offer. So let's begin this debate.

The President has proposed that we have a \$1.6 trillion tax cut in this country over the next 10 years. That was not a surprise to us. He campaigned on that throughout this country. That election ended in a dead-even tie, but the members of the electoral college cast their votes, and he is now President. There is not necessarily a mandate for this tax cut, at least one for \$1.6 trillion.

I make the point that this President campaigned on it and yesterday he announced it, and we will in this Congress now begin to discuss and debate the advantages or disadvantages of that particular plan.

There are a lot of reasons for us to say that now is the time to offer a tax cut to the American people. We do have a budget that is now in surplus, and that surplus exists in a measure that will allow some of that money to be sent back to the American taxpayers. That is the way it should happen. There are other uses for that money as well, and we ought to include them.

We ought to pay down the Federal debt with part of it. If during tough times we run up the Federal debt, during good times we ought to pay it down. Not all of that surplus ought to go to tax cuts; some ought to go to reduce the Federal debt. Yes, some ought to go to tax cuts, and then some ought to be used to improve life in this country—invest in education, invest in health care, prepare for the needs of Social Security and Medicare in the future. There is a range of needs and a range of priorities, and that is what I want to talk about today.

Twenty years ago, we had a new President come to this office, President Ronald Reagan. He proposed in 1981 a very large tax cut. In fact, one of the contestants for the Presidency was Republican Senator Howard Baker who called the economic plan that President Reagan brought in 1981 a "riverboat gamble."

President Reagan said we should cut taxes substantially and double the defense budget, and the concurrence of those two policies—cutting taxes and doubling the spending on defense—would result in a balanced budget. In fact, the plan backfired. It did not result in a balanced budget. It resulted in long-term, abiding, deep Federal budget deficits that kept growing and growing. And \$3 trillion was added to the Federal debt in a very short period of time because the plan did not add up—with annual budget deficits of hundreds of billions of dollars.

I make that point only because it has taken years of struggle to try to deal with those annual budget deficits that kept growing like a cancer in our budget. But we did deal with it. Through a

series of public policies and private initiatives, those budget deficits are gone and replaced now by surpluses.

How did they disappear? One, we changed the direction of fiscal policy early in the last decade. We cut some spending and increased some taxes. Some did not like it. It was very controversial. Some of my colleagues said, if we do this, it will throw the country into a recession and throw people out of work. Of course, it did not. It gave the American people confidence that we were going to be on the right track and that finally Washington was serious about getting rid of Federal budget deficits. The result: We had unprecedented economic growth. We then had, as well, diminishing Federal budget deficits to the point where deficits turned into surpluses.

So finally, after 20 years, the accumulated deficits are gone. But we still have a substantial amount of Federal debt that resulted from those annual deficits.

President Bush says, let us decide to cut the Federal tax load by \$1.6 trillion over the coming 10 years. What is wrong with that? Aren't tax cuts always good? Don't the American people always want tax cuts—the bigger the better?

Let me read something written by Allan Sloan, who is a thinker and a journalist that I really respect. This was in today's paper. He describes what is wrong with it, from my perspective. I am quoting Allan Sloan:

There are weeks when you have to wonder whether the American economic attention span is longer than a sand flea's. Consider last week's two big economic stories: The Congressional Budget Office increased the projected 10-year budget surplus by \$1 trillion, and the Federal Reserve Board cut short-term interest rates another half-percentage point to try to keep the economy from tanking.

To me, the real story isn't either of these events; it is their connection. The Fed is cutting rates like a doctor trying to revive a cardiac patient because as recently as last fall, Fed Chairman Alan Greenspan didn't foresee what today's economy would be like. Meanwhile, although it is now clear that even the smart, savvy, data-inhaling Greenspan couldn't see 4 months ahead, people are treating the 10-year numbers from the Congressional Budget Office as holy writ.

Hello? If Greenspan missed a 4-month forecast, how can you treat 10-year numbers as anything other than educated guesswork? Especially when the CBO has for years devoted a chapter in its reports to "The Uncertainty of Budget Projections"?

Should we really be talking about 10 years, \$1.6 trillion?

Abe Lincoln once gave a speech, and he said that an Eastern monarch once charged his wise men to invent for him a sentence to ever be in view and which would be true and appropriate in all times and situations. Working on the problem, they finally presented the following words: "This, too, shall pass away." Abe Lincoln said: "How much that expresses. How chastening in the hour of pride and how consoling in the depths of affliction, this, too, shall pass away."

Because we have turned deficits into surpluses, what has happened in this town is that we have people who believe that this kind of economic growth and opportunity will continue for 10 years unabated.

I thought the definition of a conservative was to be reasonably cautious about things. That, apparently, is not the case. Let's lock in very large tax cuts that have the danger of throwing us right back into the same deficit ditch we were in for so very long.

Let me say this. I believe there is room for a tax cut. I do not believe we ought to lock in large tax cuts for the next 10 years. I do not happen to believe the kind of tax cuts proposed by this President are the kind of tax cuts that we should lock in, in any event. I do not happen to believe that you ought to just say, the tax burden in this country represents the income tax burden people pay, and whatever else they pay is irrelevant. The fact is taxpayers paid over \$600 billion in payroll taxes in this country last year, and that is relevant because three-fourths of the American people pay more in payroll taxes than in income taxes.

But this plan proposed by President Bush says: Ignore that. That is not a tax burden that counts. All we are concerned about is giving back some income tax. And, by the way, we will give it back on the basis of who paid it, and so our giveback plan is that the largest payers get back the largest refunds.

I do not think that is good policy. I do not think it is conservative. I do not think it is good for this country.

Let me go through just a couple of charts that describe the choices we are going to make.

These are budget choices and tax choices: Should we risk slipping back into big deficits or should we move forward and build on recent economic successes? I think almost everyone would say that is a choice which is very simple: Let's build on these economic successes.

If that is the case, then what are the risks of the fiscal policy we choose? What are the risks of deciding that we can see 10 years out? Everyone here knows that is not the case. That is foolhardy. We cannot see 6 months, 2 years, 3 years, 5 years, or 7 years out. We can't see that far. We do not know what is going to happen.

Does anyone in their own family budget think they have the opportunity to understand what is going to happen 7 years or 10 years from now? They don't. Yet that is exactly what we are being told by the President and his economic advisers: Lock in a \$1.6 trillion tax cut because we know what is going to happen for the next 10 years. That is, in my judgment, very risky for this country.

The Congressional Budget Office does an analysis of what might or might not happen.

Let's look at the difference in optimistic versus pessimistic presumptions. If you want to take an opti-

mistic view of things, if you want to always look for a pony in a manure pile—you always think there is good news just around the corner—you can ride on this top line. But what if it is wrong? What if it is this bottom line? What does that mean for the country? What does it mean for kids going to schools in disrepair? What does it mean for kids going to school in classrooms where there are 32, 34 kids in a classroom? What does it mean for a woman who has diabetes or heart trouble and can't pay for her medicine because Medicare does not cover it?

If you make the wrong choice—and we have a huge tax cut that lasts 10 years, when the economy is soft, and we are back into deficits, it means there is no money for education, no money for prescription drugs in Medicare, and no money for health care.

The President proposes that we can see 10 years out, and with the surplus that we expect for 10 years out we can propose massive tax cuts. Eighty-five percent this is the \$2.2 trillion that people say really is the cost of what the President says his tax cut is—and there is very little money left for debt reduction, which, in my judgment, ought to be a priority. It seems to me, one of the things that ought to rank high here is reducing the Federal debt during better times. If you run it up during tough times, reduce it during good times.

Prescription drugs in Medicare, we ought to do something in that. We know of the challenges in education. They say that defense is going to need more money. This administration has talked about substantially more money for defense. You also have agriculture, Medicare reform, Social Security reform. And how about a rainy day fund. Should there be something set aside in case something goes wrong with our economy? Yes, I believe so.

Those are some of the considerations. And President Bush's plan is a tax cut that has a relatively small cut in the first year but permanently is backloaded with huge tax cuts in the 10th year. What that does is, it puts us right back in the same circumstances that we found ourselves in in the 1980s, in my judgment.

Some say, this public debt is all coming down. Let me take a look at this chart. We have a long way to go to reduce public indebtedness, and it ought to be a priority. What better gift to America's children, to remove that yoke of indebtedness around their shoulders. It ought to be a priority. It is, in my judgment, a conservative ethic to decide one of the priorities is to reduce debt.

Finally, let me make the point that we are going to discuss this at a time following the longest economic expansion in this country's history, when we see a weakening of the economy.

Let me hasten to add, this is not a surprise. Seven months ago, Alan Greenspan decided the American economy was too strong. He and his brethren at the Federal Reserve Board

locked their door because they are the last place in town that locks their door to keep the public out. It is the last American dinosaur in our Government. They locked their door. They make secret decisions. And 7 months ago they said: Our economy is too strong. It is growing too fast. We have to slow it down. We are going to increase interest rates.

Seven to eight months later, where are we? Planned job cuts at Montgomery Ward, Daimler Chrysler, Lucent Technologies, Sara Lee, and General Electric—potentially 80,000. This morning EToys is broke. This economy is softening far beyond the imagination or expectation of the Federal Reserve Board. But no one should be surprised by that. The Fed insisted that the economy was growing too rapidly, and they wanted to slow it down some. Don't call this economic slowdown anything other than Federal Reserve Board strategy.

Having both studied economics and taught economics in college, it is useful to ask the question, notwithstanding the Federal Reserve Board action, has anyone really repealed the business cycle, that cycle in which you have economic expansion and contraction? It is inevitable. We have economic stabilizers to try to even it out a bit more, but has anyone been able to repeal the business cycle? The answer is no. As a result of that, we have economic contractions, notwithstanding what the Fed does. When those contractions exist, we will hope they are minor.

But the point of all of that is, we should not decide to lock in very large tax cuts for a 10-year period when we can't see out 2 years. The Fed can't see out 7 months. It is risky for this country, risky for our economy and our children, to do that.

Some, I suppose, can't help it; it is just habit forming. There is a story about how elephants with circuses are able to be tied to the little metal posts. If you ever go to a circus, you see the elephants. They have a metal cuff around their leg and a chain. The chain goes to a little metal stake pounded into the ground. You wonder, how can that stake hold an elephant that weighs thousands and thousands of pounds?

The answer is that in Thailand, when they catch the elephants, what they do is they put that cuff around the elephant's back leg with a chain, and they tie the other end to a big banyan tree. That elephant, for a week or two or more, will pull with all of his might and all of his energy to get away. But he can't shake that banyan tree. Finally, the elephant simply discovers: With that cuff on my leg and that chain, I can't move. They take the other end off the banyan tree and put a little stake in the ground, and the elephant never moves. He is chained by his habit. He can't move, so he doesn't move.

There is a lot of that in this policy we see these days. This is a policy born

of habit. The minute you have some good economic news, you decide you are going to offer a very big tax cut and it doesn't matter what the consequences are.

I mentioned when I started that there are a lot of ways to provide a tax cut. I happen to believe there is room to have a tax cut in this country now. But people pay income taxes, and they pay payroll taxes. They pay a range of taxes, income and payroll being the two largest. The President's proposal, like a lot of others, says the only taxes that really count are the income taxes and we will give you a portion of them back.

What about the people at the bottom of the economic ladder who pay payroll taxes? Three-fourths of the American people pay more in payroll taxes than in income taxes. Yet no one ever talks about giving them something back. Why not? How about those who work at the bottom rung of the economic ladder, many of whom pay no income taxes because they don't earn enough income? How about giving them something back in terms of the heavy payroll taxes they pay? How about making sure that when you provide a tax cut, the tax cut is fair across the board, not just provide very large tax cuts to the people making three, four, five hundred thousand, and more, millions a year, and then just small crumbs to the people at the bottom, if any at all.

This economic engine of ours works because a lot of people are out there working, some at the top, some at the bottom. Don't diminish the efforts of those at the bottom. They pay taxes, too. They get up in the morning. They work hard all day. They pay taxes. They pay the same rate of payroll taxes as the richest Americans pay on their salaried income. So how about some help for those folks.

What I would prefer we do in a tax cut plan would be to propose a 2-year tax cut plan for this country, and, at the end of 2 years, to evaluate: Do we have continuing surpluses? Is our economy good and strong? And if so, then we should continue those tax cuts. What I would suggest is that we provide a tax cut over the next 2 years that represents a percentage cut in income taxes paid, plus payroll taxes paid. Add those burdens together and take a percentage of that and provide a tax cut for 2 years based on that. That recognizes then that people at the bottom who are paying payroll taxes also ought to get a percentage of that back.

I am not saying we should eliminate money from the trust fund. Let that go into the trust funds. I am saying that when you measure the burden of taxes, measure the Federal income taxes paid and the payroll taxes paid and provide a percentage of that and give it back. And I would have a maximum of perhaps \$1,000. That is a way to give a tax cut in a manner that is fair and in a manner that makes sense.

Second, as we talk about taxes, there is one other thing we ought to do. I

have been working on this for a couple years. I have introduced it with a couple of my colleagues. It is called the FASST plan—the Fair and Simple Shortcut Tax plan. Over 70 million Americans can pay income taxes in the future, if we adopt this plan, without ever having to file an income tax return. Your withholding at work is your actual tax liability. Check a few additional boxes on your W-4, one of which says I am a homeowner, yes or no, and your actual withholding becomes your actual tax liability. No waiting in line on April 15 at the post office. No more audits. Over thirty countries have return-free tax filing systems for most of their taxpayers. We could, and we should.

Seventy million Americans can avoid having to file income tax returns in the future if we pass the Fair and Simple Shortcut Tax plan I propose. That also can be done in a way that reduces taxes, because in order to do that, you would eliminate taxes on the first increment of interest, dividend and other investment income that families have.

I won't go into all of the details of my plan, but it makes sense, if we are talking about substantial changes in our Tax Code, to consider simplifying the Tax Code at the same time. Those are a couple of things I think we should do. We ought to recognize that payroll taxes count as well. That is part of the tax burden. We ought to do something that recognizes that.

Finally, let me talk for a moment about the alternatives. If we decide to lock in a 10-year tax cut, a very sizable proportion, there will not be any money left to pay down the Federal debt, which, as I said, I think ought to be a priority, and, second, to make needed investments which we know are necessary.

I have talked before about a couple of people. I will do it again. We know it is a priority to provide a prescription drug benefit in Medicare.

I was in Michigan, ND, one evening. A woman came up to me after a town meeting, and she grabbed hold of my arm. She was perhaps in her late seventies, early eighties. She began to speak to me about the prescription drug medicine she had to purchase. Then her chin began to quiver, her eyes filled with tears, and she said: I can't afford to buy these prescription drugs. I don't have the money. I know I need them. The doctor says I must take them, but I don't have the money. Her eyes were filled with tears, and she turned away from me. That goes on all across this country, people who need prescription drugs, living on Medicare, but they don't have the money.

Do we have needs to respond to in those areas? You bet your life we do. That ought to be a priority.

I have talked about Rosie Two Bears, a third grader in a school that is dilapidated, in a school where kids sit at desks 1 inch apart in crowded classrooms in a school, part of which has been condemned, in a school that has



classrooms where they have to evacuate because the sewer gas comes up a couple times a week. And little Rosie Two Bears says to me: Mr. Senator, are you going to build me a new school?

I can't build her a new school. I don't have the money to build her a new school. She and so many others around this country need a school that is renovated and modern and capable. When she walks through that classroom door, we do her and others a disservice by not having a first-class facility for her to be educated in. Is that a need for us? Yes, that is a need.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. I ask unanimous consent to proceed for an additional minute.

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

Mr. DORGAN. We have many needs and many priorities, one of which is, yes, let's provide a tax cut. Let's make it fairer.

Second, let's not have a 10-year tax cut locked in so that we put this country's economy at risk and throw us back into Federal deficits.

Third, let's also pay down the Federal debt while we have some surpluses. What better gift to our children than paying down the Federal indebtedness we ran up during tougher times.

Fourth, let's not provide a tax cut that is so large, the bulk of it will go to the upper income people, in a way that would prohibit us from having the resources we need for education, health care, and other areas that we know need additional investment in this country. Those ought to be our priorities.

I say to the new President, I am interested in working with him and others. Having an aggressive, good debate about fiscal policy is not personal, and it shall never become personal. We have different ideas about the priorities in this country. We need to debate that in the coming months. I intend to talk about that because I believe so strongly that we ought to do all of the things I have described in order to give us an economy that will continue to grow, prosper, and provide opportunities for all Americans.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Idaho.

Mr. CRAPO. Mr. President, I have been here on the floor listening to the debate. I am very pleased that we are engaging in a real debate about the possibility of meaningful tax relief. I have worked since I was elected to Congress, about 8½ years ago, to try to reform the Tax Code. I hope our debate over reducing taxes does not cause us to lose sight of the fact that we have to ultimately reform our Tax Code. Taxes are not only too high but too complicated, and the cost of simply complying with the Tax Code is a burden the people must see removed.

Tax relief. Why are we debating so much about tax relief right now? What

is the thing that caused us to come together? It is the fact that President Bush has been elected and has followed through on his campaign commitment to propose a \$1.6 trillion tax cut to the American people.

I want to go through what it is President Bush has proposed. We have had a lot of debate about whether it is good or bad to have a tax cut, but not a lot of details about what President Bush is proposing we do. The President's tax relief proposal is fair and responsible. It provides a typical American family at least \$1,600 in relief. They get to keep at least \$1,600 of their own money that they are now sending to Washington with these skyrocketing surpluses, which I will talk about in a moment, which are growing. The typical American family is defined in this context as a family of four with one wage earner who earns \$50,000 annually. I will give you more statistics about what this means for other types of situations.

For example, the President's proposal gives a tax cut to every single family in America who pays income taxes. What does it do? It reduces the current five-rate tax structure to a four-rate tax structure and reduces every tax rate. Every taxpayer who is in any tax rate—in any tax bracket—will receive relief. Right now, he is proposing that we move to a 10-percent, a 15-percent, a 25-percent, and a 33-percent tax bracket.

For those of you who don't follow tax brackets, currently the lowest is 15. So if you are in the lowest income category, paying the lowest rates of income taxes, you will see your tax rates go from 15 percent to 10 percent—a 33-percent reduction for that tax bracket alone. The tax reductions are lower as the rates go higher, in terms of percentage of income.

It doubles the child tax credit to \$1,000. It reduces the marriage tax penalty.

I think we ought to eliminate the marriage tax penalty. I have cosponsored legislation which does that. Many of us will be trying to see if that total elimination of the marriage tax penalty can be worked into this package.

It eliminates the death tax and expands the charitable tax deduction.

What does this mean? It means that one in five families with children now who are paying taxes will no longer pay any tax at all. Six million families, those at the lower income levels, will be totally eliminated from the tax rolls. A family of four making \$35,000 would get a 100-percent tax cut. A family of four making \$50,000 would receive about a 50-percent tax cut. A family of four making \$75,000 would receive about a 75-percent tax cut. The marginal income tax rate on low-income families will fall by over 40 percent.

The current Tax Code is unfair to a single mom paying \$25,000 a year. She pays a higher marginal tax than somebody making \$250,000 a year. That will

be changed under this tax proposal. Federal taxes today are the highest they have ever been in peacetime America. Americans pay more now for taxes than they spend on food, clothing, and housing combined. Americans work more than 4 months out of every year just to pay their tax bills. The current high tax rates are keeping low-income taxpayers out of the middle class.

Recent business layoffs show that the economy needs a boost quickly. Those layoffs are not a reason not to have tax relief; they are a reason we need tax relief.

The critics—and there are always critics—are throwing everything they can at this tax relief proposal. I am in my ninth year in Congress, with 6 years in the House and almost 3 years in the Senate. During the entire time I have served in Congress, we have fought for tax relief. We have put forward bill after bill. We have put forward every kind of idea you can think of to get the President and the administration and those who oppose tax relief in this city to support something.

Every time in the last 8½ years, whatever we have proposed, whatever it is, has been attacked as a "tax cut for the wealthy." I start to wonder if anybody who pays taxes is defined as wealthy. When we get a proposal such as this one that benefits everybody in America and gives higher percentages of relief for those at the lower income level, it is attacked as what? A tax cut for the wealthy.

It seems there is not ever going to be a tax cut that is acceptable to those in this country who want to keep taxes high so they can keep spending high. That is what this debate is about. Make no mistake about it; We are now seeing that the record levels of spending by this Federal Government are not enough to those who want to see spending increased even more. We have projections of \$5.6 trillion of surplus in the next 10 years, and that is not enough.

We have to say that a \$1.6 trillion tax cut is going to threaten our country. The reason it is a threat is that there are those who believe that from cradle to grave this Federal Government must take care of you. In order to do so, it has to have your tax dollars. Spending at the Federal level is the ultimate objective.

Let's talk about that surplus. The latest projections are for a \$5.6 trillion surplus. One of the battles we have won in the last 8 years since I have been in Congress is that we have stopped the Federal Government from robbing the Social Security surplus and spending Social Security dollars, masking excess spending. We don't allow that to happen anymore, and we won't here.

If you take out the Social Security part of the surplus and the other off-budget portions of the surplus, that is about \$2.5 trillion, leaving somewhere in the neighborhood of \$3.1 trillion of non-Social Security on budget surplus



over the next decade. President Bush is proposing that we give tax relief for \$1.6 trillion of that.

You have heard the argument made that it is risky; we can't project 10 years and be accurate. That is true. In the 8 or 9 years I have been here, I can't remember a year when we got it exactly right. But I can remember that every year we got it low. We used conservative estimates. We have built in downturns in the economy. Frankly, if we find that even these conservative estimates are not too low—and I will note that they are upgraded every month now, showing that they are low—we can adjust things as we move along. To scare people out of a tax cut by saying we don't know for sure is simply another argument by those who never want to see taxes cut.

We have an opportunity to reduce taxes in a significant way, and we ought to take it.

Let's talk a little bit about what the positive effect of tax relief will be. Tax relief is going to have the immediate effect of helping families, businesses, and communities save and invest more while moving in a direction toward reforming the Tax Code. Prompt action will also improve the economic environment and strengthen consumer confidence.

By the way, those projections we use are what we call static projections. As we project, we are not allowed to assume reduced taxes will stimulate economic activity. We have to assume that every dollar of taxes that we cut is a dollar of lost revenue to the Federal Government.

Experience shows us that in many of the areas where we reduce taxes the increased stimulation to the economics of the country actually generate increased revenues. Every time so far that we have cut the capital gains tax, the revenues from the capital gains tax have gone up—not down—because it has allowed more capital transactions to take place in this country. We are not allowed to take any of that into consideration. But tax relief will—mark my words—allow for more investment, will allow for more safety, will strengthen consumer confidence, and will stimulate and strengthen our economy.

Recently Alan Greenspan was emphatic about the superiority of tax cuts to spending increases. He said: If long-term fiscal stability is the criterion, it is far better, in my judgment, that the surpluses be lowered by tax reductions than by spending increases.

That is what the debate is about. This debate is not about whether to pay down the debt or to reduce taxes. This debate is about whether to keep taxes high so this Government can continue its increasing appetite to spend Federal dollars and pull control over the economy and over people into Washington. The argument is made that we should reduce the Federal debt first. Frankly, I agree with that.

I strongly believe that our highest priority should be to pay down the Fed-

eral debt. Alan Greenspan pointed out that with the surpluses we are seeing now we are paying down the Federal debt at a rate about as fast as we can.

There are certain instruments out there that go beyond the 10-year time-frame with which we are dealing—public debt instruments—and if we buy those down early, we will actually have to pay a premium in order to do so.

His point was that if we continue our current rate of paying down the national debt, we can do so and have this tax relief.

We have already reduced the national debt by \$360 billion. We reduced it last year by \$224 billion. Even assuming this tax relief package goes into place, in 5 years we will have paid off more than half the Federal debt, and in 10 years we can pay off most of it—still working on both areas where we have debt instruments that are out there beyond the 10-year time cycle.

Make no mistake about this either. We are committed to paying down the national debt, and we will pay down the national debt. But stopping a tax relief package is not going to accelerate that process. Stopping the tax relief package is simply going to accelerate the opportunity for Federal spending sprees as we go into our appropriations cycles in this Congress.

I think it is important that we get this debate in its proper perspective. Our goal here is to improve the quality of life for all Americans. The argument has been made about this tax package that, well, it is going to stop us from being able to make needed investments in areas that we have to invest.

Remember those budget surplus numbers I talked to you about earlier. Even if they are not adjusted up anymore, we are going to have somewhere in the neighborhood of \$1.5 trillion over the next 10 years after the tax relief package; after saving all the Social Security surplus and other off-budget surplus dollars to use for strengthening things where we have legitimate needs for Federal spending.

For example, America's failing schools still fail to deliver a world-class education; and President Bush has proposed to make sure not one student is left behind.

Our national security needs some strengthening. We can assure that we have an effective defense against ballistic missile attacks; that our military's aging equipment and personnel shortages are addressed; Our health services and programs for the elderly are out of date and need reform and strengthening.

Those things can happen. We can address the needs of this country without being caused, by the politics of fear, to think we don't have an opportunity for tax relief right now. That is what it ultimately gets down to.

This time, as well as every time in the last 8 years, we will try to talk America out of a tax cut. They will use what I call the politics of fear. They will say we can't protect you if you do

not let us have these tax dollars; that we can't do what is needed to make sure that your life is made safe; and that if you allow this tax relief package to go through, then all kinds of terrible things are going to happen to the economy.

The truth is, this is a modest tax relief proposal given the potential surpluses we see growing; and as we move forward this country will be strengthened—not weakened—by a resolve to reduce the tax burden paid by the American families.

Again, we pay the highest rates of taxes today than we have paid in peacetime America. We have some of the highest surpluses ever. We can protect Social Security and strengthen our country, and we can do so if we will properly address the issue of tax relief.

I encourage us to move forward quickly to pass this tax package.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume up to 15 minutes. I may not use all 15 minutes, if there are other speakers waiting to come to the floor.

I have been asked by the manager of this bill to accommodate Senator DURBIN by adding 11 minutes at the end of the time of morning business for Senator DURBIN, and in the process of my doing that for Senator THOMAS, I need to apologize to the Senator from Louisiana, Ms. LANDRIEU, because she asked to do the same thing. I guess we weren't at that point so accommodating because I said I would accommodate her at 3 o'clock this afternoon. I apologize to Senator LANDRIEU.

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

Mr. GRASSLEY. Mr. President, this morning, and a lot of times during this debate over the next 4 or 5 months on tax legislation, we will hear a lot of economic arguments. I don't want to detract from those economic arguments as not being good arguments, but I think they are tailored to fit the pattern of people who have a political philosophy that believes more money running through the Federal budget, and through the Federal Treasury, as a percent of our gross domestic product is a better thing to do.

They believe that a political decision made by Senators and Congressmen and a President on the distribution of goods and services within our country is better than leaving the money in the pockets of the men and women who are working in America to pay those taxes to decide how that money should be spent. We may not talk about it enough, but our philosophy for those of us who are fighting for tax relief for every taxpayer in America is that we believe there is more economic good done for America—and creating jobs in America and having a better life in America—if the money does not come through the Federal Treasury; or at least if less of it comes through the

Federal Treasury and more is spent and invested by individual working men and women, entrepreneurs, and people who create jobs; or even if the money is spent by consumers. We believe that by having the marketplace and willing buyers and sellers make that determination of how the money should be divided creates more jobs, and turns over many more times in the economy than if the money comes through the Federal Treasury, and there is a political decision on how it should be distributed.

Those are honest political and philosophical differences between our political parties. They are honest differences, but one has great faith in government to make decisions; the other one, mine, has great faith in individuals to make decisions. My philosophy will create more jobs. Since government does not create wealth, government distributes wealth or expends wealth, there aren't as many jobs created in the process. When the government actually creates a job, it is a job that consumes taxpayers' money, not creating wealth.

These economic arguments are very good, but I feel more comfortable applying a little basic common sense to the whole argument of a tax cut; a little common sense to offset a lot of Washington nonsense. It is common sense that we have a tax surplus. We haven't had a tax surplus except in the last 4 or 5 years. Before that, I have to admit, Congress was very fiscally irresponsible with budget deficits. We had some tax surplus in the Social Security account, and we still have it, but it was meant to cover up irresponsible spending on the other side. That is behind us now that we have had a new Congress for the last 6 years, going on 7. We have not only budget surpluses, but surpluses beyond budget surpluses; those are tax surpluses.

It has reached a point, because of automatic bracket creep, where people earn more and they are put in higher brackets. That money is coming in at historically high levels of taxation. Automatic bracket creep comes because people get put in a higher bracket and there isn't enough reduction in the tax brackets through the inflationary adjustment to offset that. Consequently, we have automatic tax increases on people without a vote of Congress. As a result of bracket creep as well as other enacted tax increases, taxes are now at 20.6 percent of gross domestic product, whereas over a 50-year period of time it was somewhere between 18.5 and 19.5. Historically, the economy has adjusted itself to that level of taxes. I think the people have accepted it as a reasonable rate of taxation. But they don't accept this historical high of 20.6 percent. That is why we are having the demand for tax relief for every taxpayer.

Common sense dictates if we are going to keep this level of taxation up, that it is going to be burning holes in the pockets of Senators, Congressmen,

and even Presidents to get spent. Those expenditures are generally on a continuing basis and an obligation always on the Federal Treasury. We want to discourage the level of expenditures growing as it did over the last 3 years, an average of 6 percent, twice the rate of inflation; or last year, 11.9 percent, three times the rate of inflation. That is not sustainable because taxes aren't coming in at that level. Even if they were coming in at that level, we would not want to have the level of expenditures that high because sometime there will be a downturn in the economy, and when that income goes down, expenditures don't go down to adjust to the income of the Federal Treasury.

Common sense dictates we have to take some money out of Washington, DC, and leave it in the pockets of the taxpayers of America so we aren't the overtaxed nation that we are, that we are more where the historical level of taxation has been for 50 years.

Now is the time to do that, to make up for the real bracket creep we have had, these automatic tax increases we have had, where we have reached the point where the average taxpayer is spending more on food, clothing, and shelter than they are spending on taxes. We will give tax relief to working men and women, to taxpayers in America, because of this high level of taxation, because we don't want money burned up in Washington, DC. We want to keep the money out of Washington, DC, leaving it in the taxpayers' pockets.

There is 50 years of common sense behind that because that has been the level of taxation, 18 to 19 percent of the gross national product.

We need to understand the taxpayers trust themselves with the money more than they trust the Internal Revenue Service. We will hear the tax relief that I am talking about is labeled a risky scheme. The only scheme is Washington's insatiable appetite for more and more of the working men and women's hard-earned tax dollars.

There is a threat, we are told, that we can't continue to pay down the national debt. We can continue to pay down the national debt. We will continue to pay down the national debt. We are going to continue to pay down the national debt until we get to that point where Chairman Greenspan has advised that you can't pay down any more national debt because there is about \$1 trillion of the national debt that is held by individuals who want the security of the Federal Treasury for their savings. They have bought 30-year Treasury bonds, and about \$1 trillion of those are not callable. In about 6 or 7 years, we are going to reach the point where there is money coming into the Federal Treasury, that if these bonds are not callable, you don't pay down the national debt anymore, you start having the Federal Government invest in the stock market, buying other bonds, buying other stock, or at the very least, as the law requires now,

to invest in federally insured financial institutions and then have an inordinate political impact upon the economy when that enormous transfer of billions and billions of dollars is put into the private banking system. That caution is not urged by Senator GRASSLEY. That caution is urged by Chairman Greenspan.

I assure people we are going to continue to pay down on the national debt. Taxes are so high we have reached the point where a two-wage-earner family, particularly if they are middle-income or below, one-wage earner is working to put food on the table and a roof over the head and just to provide for the family; the other one is working to pay for the Washington bureaucracy. That isn't how a family gets ahead.

For a family with a \$50,000-a-year income—this will probably be a two-wage-earner family; it wouldn't have to be but it could be—but for a \$50,000 income family of four, their taxes now are about \$4,000, on average. Under the President's proposal they drop down to \$2,000. Consequently, that will leave in the pockets of those working men and women income for them to decide on their own how that money can be better used, whether it is saved for college education, pay more down on credit card debt, pay more down on the house mortgage. They may want to spend it, but that family making a determination of how to spend it is going to do more good for the entire U.S. economy than anything else.

We have also been urged this morning: Don't get locked into a tax cut—this is where the trigger mechanism comes in—and that maybe we ought to have automatic increases in taxes for 4 or 5 years down the road in case something unpredictable happens.

We do not need to worry about that. Common sense tells me that it is easier for Congress to increase taxes than to decrease taxes. We do not have to have an automatic trigger. It is not good for the economy to have it anyway because working men and women are going to perform according to the predictability of the Tax Code, and we should make sure it is predictable.

My time is up. I assure my colleagues, we do not have to worry about triggers because we have only had two tax decreases in 20 years, but we have had Congress vote tax increases in 1982, 1984, 1986, 1990, and the biggest tax increase in the history of the country under President Clinton in 1993. So we do not need an automatic trigger. If we need to increase taxes, Congress can do it, and common sense tells me that we will do it. I yield the floor.

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

Mr. ENZI. I thank the Chair. Mr. President, it is always an exciting day when an accountant gets to talk about taxes.

The American people have had some concerns over taxes for a long time. If you were to throw that into a list of things about which they are concerned,

it would probably come out at the top. Do they think there is going to be tax relief?

I ran into a song written by a guy named Roger Miller that sums up the trust people have in the Federal Government giving them some tax relief, and it goes something like this:

Well, you dad-gum gov'ment

You sorry so 'n' so's

You got your hands in every pocket of my clothes

Well, you dad-gum, dad-gum, dad-gum gov'ment.

Well, you dad-gum gov'ment

You sorry rackafatchits

You got yourself an itcha

And you want me to scratch it

Well, you dad-gum, dad-gum, dad-gum gov'ment.

The President is coming through with relief on the burden of every taxpayer—every taxpayer. I am in support of President Bush's relief proposal. It is time to ax the tax and cut the burden down to size.

I applaud President Bush in acknowledging that surplus revenue is a tax overcharge. It is time to stop the overcharge. It is time to return the money to the American people. It is time to relieve the burden on all the taxpayers.

Americans deserve tax relief. Right now Federal taxes are the highest they have been in America during peacetime. Americans pay more in taxes than they spend on food, clothing, and housing combined. Most people work more than 4 months each year just to fund their government. It is time for the Federal Government to get its hands out of the pockets and allow them to keep more of their own money.

President Bush has proposed tax relief for every taxpayer. That is right; if you pay taxes now, you will receive tax relief under President Bush's proposal. As an example, a family of four who earns \$50,000 a year will receive tax relief of \$1,600. That is a 50-percent reduction for those families.

Right now I can tell you \$1,600 will go quite far in my home State of Wyoming. For most folks, that will pay for 1 or even 2 months of mortgage payments. It will cover a year's worth of gasoline for two cars. It will cover the cost of a year's tuition at many of the community colleges. It will cover the cost of groceries for 4 months for many people in my State.

Most importantly, President Bush and the Republican Congress trust the American people themselves to spend their own money as they see fit.

President Bush's tax relief will simplify the code while providing relief for all Americans. That is another place where we have a huge burden: The amount of time that it takes to get the information together to see if you owe or if the country is going to give you back some of what you paid.

This plan replaces the current five rates with four lower rates of 10, 15, 25, and 33 percent. As such, this tax rebate legislation takes an important step in simplifying our terribly complex code, while allowing all taxpayers to keep more of their own money.

Instead of attempting to pick winners and losers—beware of the tax plan that starts out with: Don't give any money to the rich; just give it to the poor. You will find that under the definition of "rich," anyone who pays taxes is considered rich and will not get money back. Watch the wording. Watch the details.

We cannot have a bill that attempts to pick winners and losers and makes tax relief a lottery, particularly including those who do not pay.

The President's tax plan honors the contribution of all Americans and recognizes they can spend their own money better than the Federal Government.

In addition to a simplified lower tax structure, President Bush's tax proposal will benefit families by doubling the child credit from \$500 per year to \$1,000 a year. It lowers the marriage penalty. It kills the death tax.

This is a tax policy that puts its money where its mouth is. The current Tax Code punishes marriages and savings. The Bush proposal rewards marriage, rewards parents, rewards savings. This plan recognizes the enormous burdens that many parents are under and provides some hard-earned relief for each and every taxpaying family in the United States by returning to them part of the tax overcharge that has made this historical surplus possible.

While this tax relief proposal will benefit all taxpaying Americans, it especially helps middle-class families who are the backbone of our economy. Those receiving the largest percentage reduction in their Federal income taxes will be those in the middle class.

For example, a family of four earning \$75,000 a year will see their Federal taxes reduced by 25 percent. The same family of four earning \$50,000 a year will benefit from a 50-percent reduction. If a family of four earns \$35,000 a year, they will pay no Federal income taxes under President Bush's proposal.

This tax proposal is part of a three-prong strategy to save Social Security, pay down the debt, and return a portion of the tax overpayment to the people responsible for it: the American taxpayers.

For decades, the Democrat-controlled Congress spent the Social Security surplus on a variety of programs. Under a Republican-controlled Congress, the Social Security surplus is being protected so that it will be there for present and future retirees. It is now time to return a portion of the non-Social Security tax overcharge to the American people.

There are those on the Democratic side of the aisle who say we cannot afford tax relief for Americans because we need to spend the money to pay down the Federal debt. If I really thought they were serious about this, I would be more inclined to listen. The problem is, in the 4 years I have been here, I have not seen their actions back up this rhetoric.

I have been working with my colleagues, primarily Senator ALLARD and Senator VOINOVICH, to actually implement a policy that ensures we pay off the entire publicly held debt regardless of whether all the budget surplus numbers materialize. We have tried at least six different approaches. Guess how many Democratic cosponsors we have had on any of those proposals? Zero.

Our Democratic friends love to talk about debt reduction, but when it comes time to vote on a tax cut, when it comes time to vote on debt reduction, their enthusiasm disappears as soon as the next appropriations bill hits this floor; and they envision 1,000 ways to spend that same surplus. They say: Don't lock us into \$1.6 trillion of tax relief. Don't lock us into that.

Do you know what spending does? Spending locks the American taxpayer into an eternal debt. Do you ever see us stop a program? Do you ever see us hold a program at the same level? Every program continues; every program gets an increase.

We talk about how the cost of living is going up, and we better spend more on that program to cover the additional costs of that program for the cost of living. Then we expect to increase it on the basis of whether it is a good program. The evaluation isn't whether it is good or bad. We lock things in. Every time a dime of the American taxpayer's money is spent on a new program, that dime is obligated, year in and year out, for their generation and generations to come.

Tax relief isn't locked in quite that well, as people have noticed when they have had their taxes raised in previous years.

A tax raise can happen. Tax raises happen more often than spending cuts. So don't talk about locking in a tax cut, particularly with the hope of being able to put it into new programs.

There is also talk about the need to reduce payroll taxes. The Bush plan reduces payroll taxes. It reduces that portion of the payroll taxes that are income taxes. It does not yet deal with that portion of the payroll tax that is Social Security or Medicare. Those are two programs funded separate from the Federal income tax. Those are two programs that must be reformed. To make statements on the floor that we are going to reduce those payroll taxes without putting reform in place says that we do not care about the future of Social Security and Medicare. We do. We need the reform. The payroll taxes that are involved with Medicare and Social Security have to be taken into consideration as part of that reform.

And the rich versus poor: That is an attempt to start class warfare. The idea is to relieve the tax burden of every taxpayer.

You will see things thrown into the rhetoric that will give tax relief to those who do not pay taxes. To me, the surplus is a tax overcharge. That is like going to the store and buying something and being overcharged.

When that happens—and somebody discovers it, and somebody is honest enough to pay that back—I kind of expect them to pay it back to me. I do not expect them to pay it back to somebody who just happened to walk through the store. That is what we are talking about with some of the proposals that are being put out there.

We need to remember that the surplus is not some magical pot of money created by those in Washington. It is an overpayment of taxes by the American people. It is only fair that we return a portion of that overcharge to those who gave us this surplus in the first place.

My experience has been that if we do not give a large portion of this surplus back, we will see it disappear in the waning days of this Congress, as we feed the unquenchable appetite of the ravenous appropriations bills. How does that affect you? When we are voting on appropriations, we are spending a very small part of the American taxpayer's money on each and every proposal. I think the American taxpayer realizes, if you spend enough quarters, you have used all of their tax money. That is about what they put into a program—25 cents. Some people are more than willing to put 25 cents into a new program. But they ought to be able to pick which programs themselves and not rely on the beneficence or the unique knowledge that 100 of us have here and 435 have on the other end of the building. If they want to give, they should be able to give. They should get credit for giving, but they should be able to select what they want to give. They should be able to select what they want to buy. That is what the tax package does.

We also have a unique opportunity to simplify. Complexity is a tax burden. It is a tax burden for individuals. That is the No. 1 thing the National Taxpayer Advocates have pointed out: Complexity is the No. 1 problem. The No. 2 problem is complexity for small business, where a lot of individuals are trying to earn a living out there.

It is time to ax the tax and cut the burden down to size. We do need tax relief, and we need it now. President Bush's tax proposal is fair, responsible, and will benefit all American taxpayers. This tax plan will create jobs, it will spur economic growth, it will mean jobs for us and our kids, and it will support families in the essential task of raising children.

Let's return the tax overcharge and give the American people tax relief now.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I commend my colleague from Wyoming for his very strong, clear, and forceful statement supporting tax relief for the American people. It was well reasoned. I applaud him for making his statement and associate myself with it.

#### CORRECTION OF RECORD

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that an editorial I submitted last Thursday be stricken from the CONGRESSIONAL RECORD.

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

#### TAX CUTS

Mr. HUTCHINSON. Mr. President, I also applaud President Bush for his leadership on the tax relief issue. He has come forward with a plan that I think will have the support of the American people and will provide them much needed relief.

Senator ENZI very correctly called the huge surplus that is projected over the next 10 years a tax overcharge. That is precisely what it is. The CBO has estimated the Federal surplus will total \$5.6 trillion over the next 10 years. Setting aside Social Security surplus revenues, the Federal surplus will total \$3.1 trillion. So if you take away the Social Security—put it in that lockbox—you still have \$3.1 trillion over that same period.

Our country and our Government has experienced a surplus for the last 3 years running, and we have paid down the national debt now by over \$363 billion. It is clear, we have to continue that path of fiscal responsibility. We have paid down the public debt \$363 billion.

President Bush has pointed to a very real problem that exists, and that is the increase in personal debt, consumer debt, in this Nation. One of the imperatives for providing tax relief to low- and middle-income working Americans is that that increasing personal debt, consumer debt, in this country can be addressed while we simultaneously address the problem of the national debt.

The Government also has an obligation to the American taxpayer who is now paying more in taxes than the Government is spending every year. The Federal tax burden is the highest ever during our peacetime history. Americans, as Senator ENZI pointed out, pay more in taxes than they spend on food, clothing, and housing.

Instead of growing Government bureaucracies, and devising new Federal programs on which to spend that surplus, it is incumbent on Congress to give taxpayers back some of the money they have overpaid because it is, in fact, their money.

President George W. Bush has proposed that we give back about one-quarter of the projected surplus, which allows us to pay down the national debt, protect Medicare, and ensure the viability of Social Security, and not touch the Social Security trust fund—all at the same time—and give back to the American people one-quarter of the tax overcharge, of the surplus.

I think that is extremely prudent. It is a smaller tax relief package than that which was proposed under President Reagan a number of years ago.

If, in fact, we do not return that money to the American people, the temptation will be so great in Washington, DC, that we will most assuredly spend it; every day politicians are devising means by which we can spend that surplus. So while you will hear those who are opposed to broad-based tax relief, no one will say they are opposed to tax cuts completely. They are all couching it and saying: I favor tax relief, but we want to target it to those who need it most.

That is Washington-speak for those who really don't want to provide tax relief for every taxpayer and who really believe that wisdom resides within the District of Columbia and that we can better decide where those precious resources should be expended than the American people.

The fundamental question is, when it comes to a tax relief package: Whom do you trust more? Do you trust the American people? Do you trust American families or do you believe that it is wiser and smarter for us to collect the tax revenues and then, in our sense of priorities, decide where those revenues will go?

We can prevent the tax relief debate from degenerating into a class warfare debate, and we can keep the focus on: Whom do you really trust, do you want to return the surplus to the American people, or do you want to keep it in Washington where we will divide it up and decide who are the winners and who are the losers and what programs should be started and what programs should be increased? That will be the debate we ought to have before the American people, and on the floor of the Senate.

President Bush has a number of key reforms in the plan with which he has come forward. He replaces the current five-rate tax structure with four lower rates—10, 15, 25, and 33.

I agree with George W. Bush: No American taxpayer should be required to give more than one-third of their income in Federal income taxes.

There was a time, back before Ronald Reagan was elected President, when the top rate for some Americans was 70 percent. That was obscene. Frankly, 33 percent is too high. No American ought to pay more than a third of their income in Federal taxes. President Bush simplifies it by replacing the five-rate tax structure with four lower rates.

The most common complaint about the current Tax Code is its complexity. While this isn't a panacea and it is not going to fix all of the problems in the Tax Code, at least it is a step toward greater simplification. I applaud that. It doubles the child tax credit to \$1,000. I was the original sponsor, when I was in the House of Representatives, of the \$500-per-child tax credit which eventually was signed into law. President Bush says we must go further; we need to double that \$500-per-child tax credit. He is right.

Americans who have the greatest burden from our tax system are those

who are trying to rear their children, trying to pay for their clothes, trying to keep food on the table, and trying to plan for college tuition. Those Americans facing the greatest economic challenges deserve that commitment to the American family that the child tax credit provides.

When the per-child deduction was originally passed and put into the Tax Code, the goal was, the statement was, that our Tax Code was to say families are important. And they are important. But over time, the effects of inflation so eroded tax deduction that it became less than significant. The \$500-per-child tax credit is a move in the right direction, and doubling it, as President Bush has proposed, is a big step in providing relief for American families. He reduces the marriage penalty. And he eliminates the death tax altogether.

This has been an effort of Senators and Congress men and women on both sides of the aisle for years. It is a provision in our Tax Code that is widely recognized as being inequitable and anti-American: Penalizing savings, penalizing investments, penalizing the American dream of passing on part of what you accumulate in your life to your children and to your grandchildren. I applaud the fact that that death tax would be pulled up by the roots to no longer be a part of our American tax system.

He expands the charitable tax deduction. This is very much needed as part of the faith-based initiative the President came forward with and will unleash charitable giving in this country.

Contrary to the claims of critics that the Bush plan only benefits the rich, in fact low- and middle-income families will receive the greatest reduction in the amount of taxes they must pay each year relative to their income.

There are going to be a lot of linguistic games played. It is true that those in higher income brackets may see a greater relief in terms of dollars because 5 percent of wage earners in this country pay 40 percent of the taxes. Even though President Bush's plan is highly progressive, it is going to benefit low- and middle-income taxpayers more in percentage terms, in raw dollar terms, because they pay so much more of the tax revenues of this country, they will receive more of the benefit. But every American taxpayer will receive relief. And those in low- and middle-income brackets are going to receive the highest percentage of relief relative to their income.

A family of four making \$50,000 a year would receive a 50-percent tax cut, which means an extra \$1,600 in their pockets every year, enough money to pay the average monthly mortgage payment, depending upon where you live, or several months' worth of grocery bills for an average family. A family of four making \$75,000 a year would receive a 25-percent tax cut, and a family of four making \$35,000 a year would have a 100-percent tax reduction.

Yet you will hear time and time again echoed on the floor of this body, as we debate this issue in the coming weeks, that this is a tax cut for the rich. You tell that to the family making \$35,000 a year who will owe zero in their Federal tax liability; you tell that to the family of four making \$50,000 a year who will see their tax burden cut in half, that this is a tax break for the rich.

President Bush's tax plan would use approximately one-fourth of the surplus for tax relief while reserving a portion for debt reduction, Medicare, and for Social Security preservation. The Bush plan would decrease total Federal revenue by no more than 6.2 percent each year.

By comparison, President Reagan's tax plan reduced Federal revenues by over 18 percent. My favorite Democrat, President Kennedy's tax proposal would have cut Federal revenue by over 12 percent. He saw the value of what tax relief would mean not only to the American people but to the economy itself.

President Bush is proposing fair and responsible tax relief. The surplus doesn't belong to the Federal Government; it belongs to the hard-working Americans who pay taxes every year. I wholeheartedly support the President's plan and look forward to seeing it passed very much intact.

May I inquire, how much time do we have remaining?

The PRESIDING OFFICER. The Senator spoke for 11 and a half minutes. The time until 12:30 is under the control of the Senator from Wyoming, Mr. THOMAS.

#### TRIBUTE FOR SECRETARY OF THE AIR FORCE PETERS

Mr. HUTCHINSON. Mr. President, I rise to take a few minutes to recognize the contributions of a patriot, a leader, and a good friend of this institution who has departed Government service to return to life as a private citizen.

During his 4-year tenure as Under Secretary, Acting Secretary, and Secretary of the Air Force, F. Whitten Peters had led his service to new heights of achievement, and the world is better for it. At a time when the global security environment became less predictable with each passing day, Whit Peters understood the need for the Air Force to become more responsive, more versatile, and more powerful—all at the same time. With boundless energy and enthusiasm, he set out to help the U.S. Air Force do those things and more.

As the leading architect of aerospace power, Whit Peters drove a fundamental re-examination of the relationship between air, space, and information systems. As a result, the cold war Air Force he inherited is well on its way to becoming a modern, integrated aerospace force, designed to meet the challenges of a new millennium.

During Secretary Peters' tenure, in the troubled skies over Serbia, a war

was won using the strengths of our military—and we did it without losing a single American to enemy action.

Today, despots and dictators hesitate to act because they know America's Air Force can bring power to bear at the point of decision in a matter of minutes or hours. And, millions of people, the world over, live better lives because of the humanitarian missions undertaken by our U.S. Air Force in the last 4 years.

While busy guiding the evolution of the Air Force's operational capabilities, Secretary Peters also directed significant improvements in acquisition, logistics, and sustainment programs to ensure the best possible use of defense resources. He presided over the development of the Evolved Expendable Launch Vehicle—a revolutionary pairing of Russian propulsion technology with the best United States commercial space-launch capabilities—which will drastically lower the cost of placing commercial and defense payloads in earth orbit. He led the consolidation of five Air Force aircraft depots into three, reducing depot over-capacity by 40 percent and saving the taxpayers over \$377 million a year. And, he arrested a 10-year drop in aircraft readiness rates by putting 2 billion dollars' worth of additional spares on the shelf where they will be useful to aircraft maintainers. He was instrumental on an issue critical to my home State of Arkansas—his commitment secured Little Rock Air Force Base as the Nation's C-130 schoolhouse and the Center of Excellence for future generations.

Most important, Whit Peters took care of his people. As every Member of this body knows, he fought hard for improved pay, housing, and medical benefits for every member of America's Air Force. He fought for better re-enlistment bonuses for people in hard-to-fill skills such as air traffic control, computer network administration, and over a hundred others. He pushed relentlessly for better child-care facilities to meet the demands of working families, and today 95 percent of all Air Force child care centers meet federal accreditation standards, compared to just 10 percent of child care facilities nationwide.

No wonder the enlisted men and women of the Air Force honored him with their most prestigious recognition: Induction into the Air Force Order of the Sword. In the 53-year history of America's youngest service, no other Air Force Secretary has even been so honored. Nor has any service secretary been so respected by the men and women he leads.

Like the men and women of the Total Air Force—the Air National Guard, the Air Force Reserve, and the Regular Air Force—we hate to see Whit Peters go, and I know my colleagues will join me in wishing him the fondest of farewells. I have rarely known someone with greater commitment, greater work ethic, or a greater zeal for life than Whit Peters displayed. He is a rare

leader and an even rarer person in this town: a true gentleman who cares more about others than himself. As the Air Force slogan says, "No one comes close."

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, it is my understanding that time has been set aside for Senator THOMAS. I would like to claim 15 minutes of that time.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized.

#### TAX CUTS

Mr. ALLARD. Mr. President, before I say anything about how necessary I believe the President's tax cut is at this time in our Nation's history, I want to also point out to my colleagues on the Senate floor another way we can save dollars, save on Government expenditures, another way we can make money available for tax cuts, another way we can begin to do more to pay down the debt: voluntarism. Senators who are here in this body are going to have a great opportunity on March 7 to volunteer for a very worthwhile project, Habitat for Humanity. Members of the Senate are sponsoring a home, where staffs, spouses, and Members of the Senate can actually go out and help construct a home for a family who is struggling and needs assistance. This is an excellent alternative to a Federal program. I encourage Members of the Senate to participate in this volunteer program.

I am also pleased to join my colleagues in the Senate in calling for tax cuts for all Americans. I support tax cuts for the people who work hard every day. Everyone paying taxes should receive tax relief. I agree with my colleague from Arkansas who earlier spoke very eloquently about the need for tax cuts, that people have a better idea how they would like to spend their dollars than any bureaucrat in Washington or any Member of this Senate. I think it is time we have a tax cut now that we have unprecedented revenues coming into the Federal Government.

Many people I see here on the floor arguing against tax cuts, willingly and excitedly spend more money in the appropriations process. Their argument against tax cuts is that we need to have the money to pay down the debt. But when we get toward the end of the session, we have a spending binge. In the final 6 months of last year, we spent \$561 billion—the biggest tax spending binge in this country's history in peacetime. I don't think we should allow that to happen because in the long-term we are dealing with some very big liabilities. To increase programs and increase spending at this time just means it is going to get worse. We should work to pay down the debt, and we did a good job toward paying down the debt. Ninety percent of our surplus went toward debt repay-

ment last year. I am proud of our efforts in doing that.

I think the other solution is that we need to have a tax cut. We need a plan to pay down the debt, and we need to have a plan to reduce the tax burden on the American people. I happen to agree with what the President recently said, that we need to make tax cuts retroactive. Why not? In the past, Congress has instituted tax increases and made them retroactive. So if we see a need to keep the economy from slowing down too much, or if we have excess surpluses, then I think we ought to go ahead and have tax cuts that are actually retroactive rather than increase spending.

We frequently discuss the budget surplus, and I believe it is actually more accurate—and I want to emphasize this—to talk about it as a tax surplus. The surplus represents an overpayment by taxpayers. These overassessed taxpayers should not have to send the money to Washington in the first place. My colleague from Arkansas pointed out that it gets distributed on the whims and wishes of the bureaucracy and Members of the Congress. I think it is better to empower local taxpayers to spend that money as they see fit. Allowing people to keep their own money makes sense to me. They are in a better position to know what they need. I believe in people's priorities, not Washington priorities.

Rather than addressing the basic question of whom we should trust with the taxpayers' money—the taxpayers or Washington—some have attempted to shift the focus, claiming they can't afford tax cuts. In fact, tax cuts don't jeopardize debt repayment or the Government's other obligations.

I think my record here on the Senate floor is clear. I am known as a budget and debt repayment hawk. I want to see the debt paid down as fast as possible. Federal Reserve Chairman Alan Greenspan said in a recent Budget Committee hearing, which I attended, that based on the current projections, there is room in the surplus for both debt repayment and a tax cut. He stated repeatedly before many different committees that the least desirable option is to use surplus money for new spending—exactly what the Congress did in the final 6 months of the last Congress.

On July 1, 2001, CBO delivered an encouraging fiscal forecast. They saw that the foreseeable budget surplus would allow the Government to return a major portion of the surplus to its rightful owners. That means a tax cut. They saw that the surplus would allow continued efforts to pay down our national debt. It continues to make good on a Republican promise to protect the Social Security surplus.

To put it simply, CBO's baseline assumptions for 2001 to 2011 project surpluses large enough to allow the Federal Government to retire all available debt held by the public.

Surpluses from this year through 2011 are projected to approach between \$5.6

trillion and \$6 trillion—nearly four times the amount needed to fund the Bush tax cut.

The Bush tax cut plan is an important first step towards returning the tax surplus by lowering taxes. It will mean on the average \$1,600 more for each American family. That is real money. It can be used for such things as buying a home, paying for a college education, purchasing a computer to help kids in school, buying a car, or paying the energy bill.

I support the Bush tax cut because it offers real tax relief for every American taxpayer.

First, the Bush plan cuts and simplifies the current tax rate structure. Rather than five marginal tax rates President Bush proposes four new, lower rates. In effect, this simplifies the Tax Code and also provides tax relief where it is really needed. I think that all taxpayers should have a tax break. The current tax rate brackets, which run from 15 percent to 39.6 percent, will be replaced by four new brackets at 10 percent, 15 percent, 25 percent, and 33 percent. Those at the lower end will receive the highest percentage of relief. I want to repeat that. Those at the lower end—that is the 10 percent range—will receive the highest percentage of relief. In fact, one in five taxpaying families with children will no longer pay any tax at all. This means 6 million families will receive complete tax relief.

The Bush tax cut will also provide important tax relief for families by reducing the marriage tax penalty.

In meeting with my constituents at town meetings, I have heard repeatedly that the people of Colorado want marriage penalty relief. I am one who takes my responsibilities seriously, and I hold a town meeting in every county in Colorado every year. You can imagine how many people stood up and made that very important statement on behalf of their family.

The statistics show why. In the State of Colorado, over 400,000 couples pay additional, unfair taxes simply because they are married. Nationally, this amounts to more than 21 million couples paying on average another \$1,400 per year in taxes; again, just because they are married.

The Bush tax cut will go a long way towards eliminating this disparity.

The penalty runs counter, in my view, to common sense. Marriage is a practice that should be encouraged rather than discouraged.

This penalty really hits young married couples hard. As chairman of the Subcommittee on Housing, I am constantly reminded of the increasing scarcity of affordable housing for young couples. This tax relief would go a long way towards helping working families afford a home.

President Bush also proposed that the child tax credit be doubled from \$500 per child to \$1,000 per child.

Again, this is money in the pocket of hard-working American families—particularly young American families just



getting started. Undoubtedly, it would be especially helpful to lower income families.

I am particularly pleased to support the provision to eliminate the death tax. I share the President's belief that the tax should be eliminated. I have already introduced legislation to do just that, as have a number of other Members in the Senate.

The United States retains among the highest estate taxes in the world, and top estate tax rates can reach over 55 percent. This is money that was already taxed when it was earned. Frankly, the estate tax—or death tax—can destroy a family business. This has been called to my attention a number of times in the State of Colorado. One of the more recent examples happens to be a ranch in the Aspen area—a pretty affluent area experiencing a lot of growth.

A family happened to have an unexpected death. They had to sell off the family ranch to pay the estate tax. As a result, open space will be developed, contrary to what many people in that area wanted to see happen. They wanted to see more open space instead of more development.

Repeal of the estate tax would certainly benefit the economy. Without the estate tax, greater business resources can be put toward productive economic activity.

I think the President's proposal to expand education savings accounts will also give parents more flexibility in determining what is best for their children.

There is a lot more to the President's tax plan. But the fact is that I do think we need to move forward. Americans are spending more than ever on taxes, and we need to reduce that tax burden.

I strongly support the President's comments that we should make it retroactive. In other words, we ought to address the problem now and not wait. I offer my strong endorsement of the President's proposed tax cut, and I look forward to a swift enactment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Thank you, Mr. President.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 253 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Texas.

#### TAX RELIEF

Mrs. HUTCHISON. Mr. President, I rise today to talk about President Bush's tax relief plan and what I hope will be congressional approval of tax relief for hard-working Americans.

It is very clear we are going to have a bigger surplus than we ever even dreamed would be possible when we passed the Balanced Budget Act. It is estimated now at \$5.6 trillion. The

President's plan takes approximately 25 percent of this huge surplus and says the people deserve to keep more of their money. This is an income tax surplus. People are sending more to Washington than Washington needs to do its responsibility to cover the costs of Government, to the tune of \$5.6 trillion. Doesn't it make sense to cut back on the amount people have to send to Washington? We think so.

The President's plan gives a tax cut to every American who is paying taxes. It replaces the current five-rate tax structure with four lower rates: 10, 15, 25, and 33. It doubles the child tax credit to \$1,000, reduces the marriage penalty, which we have been trying to do now for 4 years, eliminates the death tax, expands the charitable tax deduction, and makes the research and development tax credit permanent.

What happens when this is passed? Who are the biggest winners? One in five taxpaying families with children will no longer pay any income tax at all. One in every five families who pay taxes and have children will pay no income tax. It will remove 6 million American families from the tax rolls. A family of four making \$35,000 will get a 100-percent Federal income tax cut. A family of four making \$50,000 a year will receive a 50-percent tax cut, receiving at least \$1,600 in tax relief. A family of four making \$75,000 a year will receive a 25-percent tax cut. The marginal income tax rate on low-income families will fall by more than 40 percent. That is the effect this tax relief will have on American families.

The current code is not fair, and it is taking too much. What we need is balance in our system. What this approach will do is pay down the debt, protect Social Security, increase spending for priority needs, and give hard-working Americans more in their pocketbook.

Mr. President, you are going to hear a lot more about this in future months because I believe Congress is going to work with the President to give the tax relief he is seeking. I look forward to the discussion because I cannot think of any reason hard-working Americans should not have the money they earn in their pocketbooks rather than sending it to Washington for a program of which they have never heard.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 11 minutes.

Mr. DURBIN. I thank the Chair.

Mr. President, during the last hour and a half Senators have come to the floor to talk about the President's proposed tax cuts. Of course, we are all interested in finding out what the details are on that tax cut because it is true, the devil is in the details. We need to know exactly what the President is proposing, the impact it will have on our budget, first, certainly on our economy, and on the families of this Nation.

I guess two of the most magic words for politicians are "tax cut." Can you

think of anything more popular to say to an audience? I think we have learned over history that if you just focus on the term "tax cut," and you do not fill in the details, you can find yourself in a pretty terrible predicament.

When President Reagan was elected in 1980, he was dedicated to a tax cut. He said that was the highest single priority. Of course, he enacted that tax cut. We all understand what happened after that tax cut was enacted. We totaled up the biggest run of deficits in the history of the United States. We created such a monster that many of my Republican friends who were faithful supporters of President Reagan came to the floor and said: We are going to have to amend the Constitution now; there is no other way to stop this mess between the President and Congress; we have to give the Federal courts the authority through a constitutional amendment to stop Congress from spending and stop the President from spending.

Thank goodness cooler heads prevailed. Leadership came on the scene that changed the dynamics of this debate dramatically. In 1993, under President Clinton, we passed a deficit budget reduction plan, and several years later we passed a bipartisan plan. Between the two of them, we have finally reached the point in our history where we are no longer laboring with annual deficits adding to the national debt but we are dealing with surpluses.

The obvious question is, What is the responsible thing to do?

First we have to ask ourself this question: How big is the surplus? How much money do we have to spend either on tax cuts or for programs or for some other purpose? I have to say, quite honestly, that is where I have some difficulty with this whole debate.

Let me give one illustration. Seventy percent of all the surplus we are talking about for tax cuts does not appear for 5 years. Thirty percent of it starts to show, but then 70 percent of it is in the last 5 years of the economists' estimates.

Think about that for a second. We are pinning our hopes on statistical projections starting 5 years from now as to what America is going to look like, what the economy is going to look like.

I have a very limited education in economics, and I do not consider myself an expert, but I will tell you, I have worked with some of the real experts on economics here in Washington, and they miss by a country mile trying to guess where we are going to be 5 months from now, let alone 5 years or 10 years from now.

Allow me to use one example. If the 5-year projection is where we really start coming into surpluses, it is reasonable to step back and ask: What were the economists in America saying 5 years ago about today? Let's take a look.

They projected that today in America we would be running a \$320 billion



deficit. Guess what. They were wrong. We are running a \$270 billion surplus. They missed it by \$590 billion 5 years ago. They did not have a clue. They were clearly guessing based on assumptions that were just plain wrong.

I think one can understand the skepticism of many of us who say, if we are going to build on America's future, let us do it with assumptions that are honest, that are accurate, and on which we can count. When one starts off with the premise that we are going to have this fantastic surplus 5, 6, 7, 8, 9, 10 years from now, I say take care, be careful, because if we are wrong, if we commit ourselves to spending tax cuts we cannot cover, we will find ourselves not only putting our toe but our whole leg back into that red-ink deficit pool. I do not want to see that happen.

Keep in mind, the mortgage we now have on America, our national debt, is substantial. We owe over \$5.7 trillion for things we have done in the past—roads we have built, decisions we have made, programs we have funded. That \$5.7 trillion national debt costs American families, businesses, and individual taxpayers \$1 billion a day in interest. We collect that much in your taxes and mine to pay interest on old debt. That \$1 billion a day does not educate a child, does not buy a computer for a school, does not provide a prescription drug benefit under Medicare to a soul in America, nor does it buy us a new tank, a new plane, or pay for a new soldier—nothing. It is money paid on interest servicing old debt.

I believe if we have any surplus, the first thing we should dedicate it to is eliminating the national debt. Can you think of a better thing to leave our children than to say to them: We paid off our mortgage, kids; it's your America; dream your dreams and you won't be saddled with our debt. It seems pretty basic to me.

Will there be room for a tax cut if we do that? I think there will be, but I think we ought to take care that that tax cut is one that makes sense. This is where Democrats and Republicans really part company. I am sorry we get back to this debate, but the President made his choice, and now we will return to that debate: Who deserves a tax cut in this country? If we want to pick out a group of Americans who really need a helping hand in reduced taxes, where should we turn first?

Forty-three percent of the tax cut that President Bush is proposing goes to the top 1 percent income earners in this country, people making over \$300,000 a year. Take a look at this chart which gives an idea about what I am talking. This is President Bush's tax plan and the impact it has on people in different income categories in America.

The top 1-percent income—people making over \$300,000 a year, incidentally, have an average income of \$915,000. For people who are making over \$25,000 a month in income, the President wants to give them \$46,000 in tax cuts.

Then take a look down the list at how this number starts diminishing as you get closer to working families and middle-income families. It starts off with \$42 for those in the lowest income categories, the lowest 20 percent. It goes up to \$187 if you are making \$24,000; \$453 a year if you are making \$39,000 or less.

What a disparity: That if we are going to give a tax cut in America to the people most deserving, the people who need the most help, it is those who are making over \$300,000 a year.

Yesterday at a press conference in Springfield, IL, about an issue that is near and dear to people in Springfield, IL, and I think nationally—it goes back to a telephone call I received a month or so ago from my consumer advocate in Illinois. Her name is Loretta Durbin. She is my wife. She called me and said: I just got the gas bill, Senator. What is going on here?

People across America are getting heating bills and electric bills that are absolutely stopping them in their tracks. These are working families, by and large, who have seen their bills doubled and tripled, and they are calling my office and saying: What can you do to help us?

There is a limited amount we can do, but one thing we can consider and I support is providing some tax relief to these families struggling to pay their heating bills. I do not think that is an unreasonable idea. Senator HARKIN has a proposal, which I think makes sense, to give a tax credit to people for the increase in their heating bills over this last year. Do you know what the people are going to do with it? They will pay their bills or they will replenish their savings accounts, or they will decide, yes, we can go ahead and make an important purchase for our family. I think that is the kind of tax cut that really is reasonable in America.

Can you imagine the people making over \$25,000 a month having husbands calling wives, saying: Our heating bill is up to \$400 this month. I don't think so.

But I can tell you, if you are making \$25,000 a year, a \$400 heating bill, or more, is something of which you would take notice. That is why I hope if there is going to be a tax cut, that it be sensible, based on the real surplus, and that it be after we have dedicated funds to bringing down this national debt, the debt that costs us so much, and raises interest rates on everything across America and, finally, a tax cut that really zeros in on the people who need it the most.

I am worried, too, that the President's proposal, when you take a look at it, takes 85 percent of our surplus and dedicates it to a tax cut, leaving precious little for things which we value.

I just left a meeting of the heads of Illinois school boards. I think those are some of the best public servants in America, people who serve on school boards. It is a tough job. In Illinois,

they are trying to make sure they serve the needs of the children. And, of course, they are responsible to the taxpayers. They have talked to me about the needs of education in my State, which would be the same in many other States: crumbling schools, areas where they need new schools, teachers needing training, schools that have a hookup now to the Internet but need new computers and new access to new technology. They are saying to me: Senator, if there is a surplus, for goodness' sake, can't we have a piece of this for education? Isn't that important to our Nation? I think it is. But if you take 85 percent of our surplus and spend it on tax cuts, it leaves so little to consider any money for education.

In the last campaign, both candidates talked about a prescription drug benefit under Medicare. We know what seniors are facing now in trying to pay for their drug bills. We have not had a conversation about this in 3 or 4 months. Since all of the hoopla of November 7, people have not talked about it. But President Bush does not leave the money aside to take care of that necessity, as far as I am concerned, for seniors and disabled people.

There are important programs in education, in health, and in national defense that will cost us as a nation. I think we have to be prepared to look at the surplus honestly, to make certain if there is a tax cut, it is fair, and to make certain that we do keep money aside for important national priorities.

Thank you, Mr. President.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### RECESS

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

Thereupon, at 12:42 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

#### EXECUTIVE SESSION

NOMINATION OF ROBERT B. ZOELLICK TO BE UNITED STATES TRADE REPRESENTATIVE

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the Senate will now go into executive session and proceed to consideration of the nomination of Robert Zoellick which the clerk will report.

The assistant legislative clerk read the nomination of Robert B. Zoellick, of Virginia, to be United States Trade

Representative, with the rank of Ambassador Extraordinary and Plenipotentiary.

The PRESIDING OFFICER. Under the previous order, the time for debate on the nomination shall be limited to 2 hours equally divided between the chairman, Mr. GRASSLEY, and the ranking member, Mr. BAUCUS.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield myself such time as I may consume.

Today we are taking up the nomination of Robert Zoellick to be United States Trade Representative. Mr. Zoellick appeared before the Finance Committee exactly one week ago, and I am pleased that we have been able to schedule this vote so quickly. I support this nomination, and I urge my colleagues to join in supporting his confirmation at the end of this debate.

Trade has never been as important to the American economy as it is today. The import and export of goods and services is equivalent to 27 percent of America's gross domestic product, as compared to only 11 percent in 1970. Opening and expanding markets around the world for our manufactured goods, our agricultural commodities, and our services is critical for our economy to grow and for the creation of good quality jobs at home. Expanded trade is also critical for global economic growth.

For that reason, I was very pleased that President Bush, when announcing the selection of Robert Zoellick to be USTR, stressed that Mr. Zoellick would be a member of the Cabinet and would report directly to the President. Trade must have a prominent and equal place at the table when we make decisions about our Nation's global affairs.

Last year, the Congress and the Administration worked together on trade policy. We had a number of significant accomplishments. We passed a bill to extend permanent normal trade relations status to China, PNTR, once it accedes to the WTO, a monumental achievement. We passed legislation on expanding trade with Africa and enhancing CBI, the Caribbean Basin Initiative. We changed the structure of the Foreign Sales Corporation. And we passed a Miscellaneous Tariffs Act.

This year, we have a full trade agenda. We must build on the progress we made last year. We must make sure that we are not left behind as other nations make new trade arrangements with each other. Let me stress that our trade policy and our efforts at further trade liberalization must be carried out in the proper way.

Our first priority must be to rebuild the consensus on trade in this country. Further progress on trade liberalization and opening markets requires a political consensus, and that means a public consensus. We must demonstrate to all our citizens that trade and expanding markets contribute to their prosperity. We must address legitimate labor and environmental con-

cerns in our trade agreements. We must aggressively enforce our trade laws. And we must ensure that we provide new opportunities to those who have been left behind by globalization.

One focus of discussion during Mr. Zoellick's confirmation hearing was whether it was appropriate to include labor and environmental issues in trade negotiations. In fact, this has dominated much of the trade policy debate over the past decade.

I must confess to a good deal of frustration. Trade-related labor and environmental issues were addressed in NAFTA, the North American Free Trade Agreement, and in the U.S.-Jordan FTA. The United States concluded a historic agreement with Cambodia in cooperation with the International Labor Organization that tied increased access to the United States market to Cambodian observance of basic labor rights. Our law on the Generalized System of Preferences, GSP, as well as the Caribbean Basin Initiative, CBI, also include labor provisions.

Labor and environmental issues were on track to be included in free trade agreements with Singapore and Chile that the Clinton Administration was negotiating in its closing days.

Labor and environmental issues have been discussed under the aegis of the world trading system. In the last several years, a number of important WTO disputes have directly involved environmental matters. The WTO has created a Committee on the Environment.

And the interest in labor and environment is not limited to the United States. In developing the European Union, the countries of Europe addressed these issues. As they work on their own free trade area, some of our neighbors in Latin America have also recognized the need to address labor and the environment.

In short, like it or not, environment and labor issues are firmly on the trade agenda. Unfortunately, at least in some circles, the debate in the United States goes on as if none of these things had happened, as if the issues will just go away if we do not talk about them.

I fear that a major reason for the disappearance of the public and political consensus in the United States is our refusal to acknowledge these important issues. I don't pretend to know all the answers about how to deal with these complex questions, but I do know that it is long past time for us to acknowledge them and to begin to address them.

For this reason, I have made it clear that I will vote against fast track trade negotiating authority, and work to defeat it, unless labor and environmental issues are meaningfully addressed.

I welcome the fact that, in his confirmation hearing, Mr. Zoellick expressed a willingness to address these issues. In that spirit, let me issue a challenge to him and to the Bush Administration on three specific labor and environmental issues related to trade.

First, I call on Mr. Zoellick to endorse the U.S.-Jordan Free Trade Agreement and work for prompt congressional passage. Among other provisions, this agreement calls upon Jordan and the United States to adhere to their own labor and environmental laws. Because of this, the agreement has been endorsed by many labor and environmental groups.

Some have asserted that the Jordan agreement would open our labor and environmental laws to challenge or would block us from making any change in our own laws. This is simply untrue.

The agreement only requires that each country enforce its own laws and not make changes designed to distort trade. The agreement states explicitly that each country has the right to establish its own domestic labor and environmental standards and laws.

I cannot imagine how these modest provisions can credibly be seen as a threat. I can only conclude that those making the charges have not read the agreement. I refer them to the U.S.-Jordan Free Trade Agreement.

Second, I call on Mr. Zoellick to implement rigorously the Executive Order requiring an environmental assessment of all trade agreements. These assessments help to focus discussion, identify issues, and avoid needless problems. We should be doing these assessments for all future trade agreements.

Finally, I call on Mr. Zoellick to appoint an Assistant USTR for Labor. This position was created last year and has never been filled. A trade official focused on labor could ensure that labor issues are not ignored and serve as an important point of contact between our trade negotiators and the labor community. This position should be filled before the April Ministerial meeting that will discuss the Free Trade Area for the Americas, the FTAA.

By taking these three steps, Mr. Zoellick and the Bush Administration would demonstrate that the commitments to work together in a bipartisan fashion are real and not just rhetoric. It would help set the stage for granting fast track authority and go a long way toward establishing trust between the Congress and the administration on trade policy.

As Mr. Zoellick sends his deputies to the Finance Committee for confirmation, I plan to review his progress in meeting these three challenges that I have set out today.

Let me now discuss a number of other trade issues that will be before the Administration and the Congress in the coming months.

I have already discussed the U.S.-Jordan Free Trade Agreement. Jordan is a critical partner in our effort to promote lasting peace in the Middle East. This agreement will help bring our two nations even closer together.

Second, the Administration should send the U.S.-Vietnam Bilateral Trade

Agreement to the Congress soon. We have made significant progress in our economic and political relationship with Vietnam over the past decade, and this agreement builds on that. The agreement requires major liberalizing changes in Vietnam's economic and trade structure. The agreement paves the way for Vietnam's eventual application to join the WTO. The agreement will provide American business and agriculture with predictability and stability in Vietnam's market. We need to approve this agreement, and we need to look at how to deal with legitimate labor and environmental issues.

Third, President Bush will attend the Summit of the Americas in Quebec in April, where the major topic will be progress on completing a Free Trade Area for the Americas. I support trade liberalization in this hemisphere. I will support fast track negotiating authority for the FTAA, so long as it properly accommodates legitimate labor and environmental concerns. I hope that President Bush will tell the gathering of leaders in Quebec that he plans to work closely with Congress, business, labor, and environmental groups over the coming year so that he can succeed in enactment of this negotiating authority.

Fourth, the U.S.-Canada Softwood Lumber Agreement expires on March 31. Today, the U.S. lumber industry is in dire straits. The price of lumber is less than in 1995. Many timber operations in Montana, and around the nation, have closed as a result of the depressed lumber market—displacing workers and devastating communities. The Canadian softwood lumber industry receives over four billion dollars in stumpage and other subsidies annually. There is considerable evidence that they are dumping lumber into the United States. To make matters worse, the absence of adequate environmental laws in Canada clearly provides an unfair advantage to Canadian firms. It contributes to over-cutting in Canada's forests and damages the environment, with significant implications for our own forests and environment. We need to resolve this issue quickly and, I hope, avoid lengthy and costly litigation.

Fifth, the agriculture crisis. Commodity prices remain near record low levels. Agriculture is Montana's largest industry. Over 60 percent of Montana's grain and meat products are exported, so the farmers and ranchers in my state depend on new and growing markets. We need to expand agricultural exports from Montana and from the entire country. That means:

Opening agricultural markets around the world.

Attacking the massive agricultural export subsidies of the European Union that distort food trade world-wide.

Getting Europe to end its decade-old ban on U.S. hormone-treated beef.

Taking measures to end the trade distorting activities of the Canadian and Australian wheat boards, including

completion of the Section 301 investigation of the anti-competitive practices of the Canadian Wheat Board.

Ensuring that China fully implements its WTO obligations, as well as the U.S.-China bilateral agreement on agricultural cooperation.

Abandoning unilateral embargoes, including the embargo on Cuba that has closed that market to our food producers.

Ensuring that our domestic agriculture industry is insulated against devastating surges of imports, such as has happened with lamb.

Sixth, the survival of America's steel industry is in jeopardy. Over the next few months, Congress, the Administration, the steel companies, and the United Steelworkers of America must work together on a program to prevent irreparable damage to this important sector of our economy.

Finally, we need to develop a comprehensive approach to monitoring and compliance of trade agreements. This includes bilateral agreements as well as multilateral commitments of our trading partners. China's accession to the WTO will present further new challenges to our ability to ensure full compliance. We need an early assessment of the monitoring activities in the Executive Branch to ensure that we are using them as effectively as we can. I welcome Mr. Zoellick's statement at his confirmation hearing that justice delayed is justice denied. We take a double hit when we fail to ensure full compliance with trade agreements. First, our businesses, workers, and farmers don't receive the benefits we negotiated. And then, our credibility as a nation is damaged, and our future negotiating ability is hampered. We must be more aggressive on monitoring and compliance.

This is a full agenda for a short period of time. I look forward to working closely with Bob Zoellick as we try to rebuild the consensus for trade so that we can enhance the benefits to America of opening markets and expanding trade liberalization.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

I apologize to Senator BAUCUS because I was not here to hear his statement. I am glad he was able to go ahead and proceed with his opening statement. I also appreciate Senator BAUCUS' cooperation during the hearing and, more importantly, to be able to bring this nomination to the floor without our committee meeting.

Obviously, I am going to support President Bush's nomination of Robert Zoellick to the position of U.S. Trade

Representative. As chairman of the Senate Finance Committee, I am pleased to report to my distinguished colleagues that Robert Zoellick is uniquely qualified to represent the United States in an extremely important position—important because the trade negotiations that will take place in the year 2001. As far as the trade negotiations that are ongoing, similar to the China wall, they never stop.

They just go on and on.

I want to go into some detail about Mr. Zoellick's impressive professional qualifications for a very demanding and highly sensitive Cabinet post. One of the questions I asked him in the private meeting in my office was whether or not he was prepared to spend this much time away from home. There is much time away from family because there is a tremendous commitment to travel with this job besides the policymaking. You get the impression that these people who do our trade negotiations just never have any private time whatsoever. Obviously, when he takes on a demanding job such as this, we know he is committed to doing what needs to be done.

Before I go into his impressive professional background, I would like to say a word about his performance at his Senate Finance Committee nomination hearing. That was on January 30.

I think it is fair to say that Members on both sides of the aisle were highly impressed with Mr. Zoellick's thorough command of complex trade issues, with his broad visions of America's historic leadership role in the whole international trade regime, and with his understanding of the close cooperation required between the legislative and executive branches of government in crafting and implementing an effective U.S. trade policy.

The nature of trade issues Congress will deal with this year clearly requires that a person of Mr. Zoellick's stature and ability be the U.S. Trade Representative.

In regard to working closely with Congress, understand that Congress has the authority to regulate international, or what you call interstate, and foreign commerce. We guard this very jealously. We have to, in the process of doing that under the practicality of 535 Members of Congress and negotiating with 138 different countries in the World Trade Organization on the issues of reducing tariff and nontariff trade barriers or settling any sort of dispute. From time to time, Congress has given the President of the United States the authority to do that in negotiation. But we do it with a very tight rein. I suppose in the future it will be even more of a tighter rein. That requires a person in Mr. Zoellick's position as U.S. Trade Representative to work very closely with the Congress, particularly the Ways and Means Committee and the Senate Finance Committee, consulting with us on a regular basis. That consultation,

as I have seen in the past, has made the executive branch of government responsive to Members of Congress; more importantly, respectful of our constitutional rights as we guard them. It is our responsibility to do that not only for the economic interests of our constituents but for the sole fact that we take an oath to uphold the Constitution of the United States.

I will mention a few of the challenges that face Mr. Zoellick, and then I will go into why Mr. Zoellick is ideally suited to deal with them.

One important trade challenge right around the corner is the free trade area of the Americas negotiations.

The objective of these talks, which are supposed to conclude in 2005, is to create a single free trade zone of nearly 700 million people, stretching from the Arctic Ocean in the North, to Tierra del Fuego in the South.

The free trade area is the single most important economic initiative we have undertaken with Latin America since President Kennedy launched the Alliance for Progress in 1961.

Latin America is our fastest growing regional trade partner. Roughly 46 percent of all the goods manufactured in this country are exported to our own hemisphere. We export large amounts of our agricultural products to the FTAA countries as well.

Our continued prosperity, and our leadership in world trade, clearly rests on the success of these talks.

But when you see the concentration of trade in the Western Hemisphere, you know why these talks are singularly important.

Yet despite the obvious importance of the FTAA, there is little agreement on the major issues under discussion. It's time to get these talks moving again. And it's time for the United States to resume its leadership in trade not only in the Western Hemisphere but in all areas.

The FTAA Ministerial Conference is coming up in Buenos Aires in the first week in April. Two weeks after the FTAA Ministerial, the United States will attend the Third Summit of the Americas in Quebec City.

Mr. Zoellick knows how important U.S. leadership is in getting the FTAA talks headed in the right direction.

And more importantly, he has the skills and the background to get the job done.

What about these skills?

For example, while serving in the former Bush administration, Mr. Zoellick played a key role in the NAFTA process. At one point during the NAFTA negotiations, when the talks weren't going well, Mr. Zoellick served as a special channel with then President Salinas of Mexico to keep the negotiations on track.

Also during the former Bush administration, Mr. Zoellick served as Counselor of the Department of State, and Under Secretary of State for Economics. At the State Department, he helped launch APEC, the Asia Pacific

Economic Cooperation group for advancing trade and prosperity in that region.

The creation of APEC was a tremendous achievement. It is a highly successful international trade and economic forum. APEC's main agenda is to dismantle trade and investment barriers in the region, to strengthen an open, multilateral trading system, and to encourage constructive interdependence by encouraging the flow of goods, services, capital, and technology.

Mr. Zoellick's central role in launching APEC clearly demonstrates his deep commitment to the principle of international cooperation that is at the heart of America's leadership in promoting global free trade.

It also demonstrates his broad vision, and his ability to accomplish big things.

In recognition of his outstanding service to his country, Mr. Zoellick received the Distinguished Service Award, the State Department's highest honor.

Another important trade challenge this year is to launch a new round of multilateral trade negotiations at the WTO Ministerial to be held later this year in Qatar.

The failure of the Seattle WTO Ministerial was a terrible embarrassment for the United States, and a major setback for trade liberalization around the world than we now realize 18 months later.

The collapse of the Seattle talks was also a major setback for American agriculture. Without a comprehensive new round of global trade negotiations, it will be extremely difficult for American agriculture to gain access to new markets, and to get rid of the trade-distorting subsidies and barriers that shut our agricultural producers out of foreign markets.

If we lose the momentum for the liberalization of world agricultural markets that we gained with the successful conclusion of the Uruguay Round of trade negotiations, we may never be able to recover.

Here too, Mr. Zoellick's experience demonstrates that he is the right person for the job of U.S. Trade Representative.

In 1992, when it looked like the fundamental disagreement between the European Union and the United States over agricultural trade liberalization would end the Uruguay Round in failure, Mr. Zoellick helped forge the Blair House Accord, the compromise agriculture agreement that broke the negotiation logjam, and saved the Uruguay Round, not just for agriculture but for other segments of the economy that was held by them.

Thanks to Mr. Zoellick's efforts in crafting the Blair House accord, negotiators then immediately were able to clear the political hurdles that brought about an agreement.

As a result, the World Trade Organization agreement on agriculture represents the first serious step toward re-

form of the international rules governing trade in agricultural products. That agreement is now the spring board for current efforts to further liberalize world agricultural trade. Other trade challenges beyond agriculture that Mr. Zoellick and the Congress will be dealing with include the United States-Jordan Free-Trade Agreement, the United States-Vietnam Trade Agreement, we have the Singapore free-trade negotiations, and on December 5th of last year we began the Chile free-trade negotiations. Those latter two are on the table. We would expect perhaps some conclusion shortly.

Mr. Zoellick's record of achievement clearly demonstrates he has the ability to handle those which might be called lesser issues because they are bilateral but still very important.

During his distinguished career, he has led various bilateral trade negotiations with the European Union, with Korea and other nations, but most importantly they involved the structural impediment initiative with the country of Japan.

I will say a word about another tough trade challenge, one that will involve, hopefully, this Congress. As chairman of the Senate Finance Committee, I can help move it along. We had discussions with Senator BAUCUS about that, even this week, about how he and I can get together and try to solve some of the things involved with giving the President negotiating authority; in other words, that authority which allows a President to move forward and finalize a multilateral or WTO-involved trade agreement. It is very important to have that even for bilateral agreements but perhaps less important for bilateral than for the multinational, multilateral negotiations. It will be very difficult to write this legislation. We shouldn't have any illusions that it will be easy to accomplish. I can't think of a single thing more important to restoring America's leadership in trade and to preserving America's negotiating credibility.

It is certainly true, as many have pointed out, that the United States can start negotiations without the President having trade negotiating authority. We know this from our experience during the Uruguay Round when it took 2 years to get legislation renewing the President's trade negotiating authority through Congress after the Uruguay Round started. But doing it that way misses the point. The President—not just this President, any President—needs negotiating authority from Congress because his negotiating credibility is diminished, sometimes a little, most often a lot, without that grant of authority from Congress. That is as true at the start of formal trade negotiations as it is at the conclusion—maybe a little less at the beginning than at the end.

We would all be better off if we could have the President go to the table with Congress saying here is what we want you to do for us; here is how we want

you to keep in touch with us so we can represent the people, our constituents, and the leeways that we might give on final negotiations when we get something we can pass.

This is sometimes referred to as fast track. It is innovation. We all remember from history, designed in large part as a response to the diminished U.S. negotiation credibility that resulted from the failure of Congress to implement some of the trade agreements concluded during the Kennedy Round. Here again I think Mr. Zoellick can play a very important role. I think he has a record that speaks for itself.

Other than U.S. Trade Representative Carla Hills, Mr. Zoellick spent more time with the Congress than any other administration official to get fast track authority passed in 1991. I have confidence in Mr. Zoellick's ability to work with Congress, to get a bill renewing the President's trade negotiating authority through Congress. We need to at least start that process, even though it is a very difficult process, and do it soon. That is the conversation that Senator BAUCUS and I have had to this point.

I conclude with why I view Mr. Zoellick's nomination with enthusiasm. It is a very extraordinary record and has some length. I have looked carefully at what he has done during the past 20 years in promoting America's trade interests. That record tells me Mr. Zoellick understands that trade matters to every American. It matters to the farmers in my hometown of New Hartford, IA, who want to sell his or her grain in the international markets. It matters to the Caterpillar workers in Illinois who make tractors for sale in Asia, Europe, and America. It matters to John Deere workers in Waterloo, IA. One out of five jobs on that assembly line are related to export. These are very good jobs and on average, jobs connected with trade, pay 15 percent above the national average.

It matters to the Boeing employees in the State of Washington who make state-of-the-art aircraft for every major world aircraft maker. It matters to the radio workers who make avionics in Cedar, IA, that go into these Boeing airplanes. It is going to involve their jobs, as well. Trade is very important in almost every State. But 40 percent of our agricultural products are exported. I don't have a dollar value on that, but I know for manufacturing and services, the dollar value of those exports is many times what it is for agriculture. Perhaps most importantly, open international markets increasingly matter to millions of very small entrepreneurs as well. These are the people who compete for business every day, wherever they find it, anywhere in the world.

Bob Zoellick understands that all of these Americans, whether they toil on the farm, whether they punch the time clock at the assembly line, or whether they work in the high-tech new economy, are able, through these jobs,

which are better jobs because of international trade, to pay their mortgage; they are able to support their families; and they are able to make their communities better places to live.

I believe Mr. Zoellick has already shown himself to be an eminent public servant with an outstanding record of leadership in trade policy who has already served his country well. I have come to know him and to respect him. I know that my distinguished colleagues on both sides of the aisle will as well.

As chairman of the Senate Finance Committee, I strongly urge my distinguished colleagues to vote to confirm this nomination and appoint this outstanding individual to America's most important international trade position.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 2 minutes to my very good friend, the esteemed Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Montana.

I rise to speak not to question the nomination of Mr. Zoellick—he is obviously qualified for the position of U.S. Trade Representative—but to question the trade policy priorities of administrations past and present. For the problems our manufacturers and workers face today are not Democratic problems or Republican problems, they are problems with a trade liberalization approach that needs to be rethought and reinvigorated. That approach has led to record trade deficits and alarming trends in income inequality. The current crisis in the U.S. steel industry demonstrates that unfettered importation of unfairly traded products causes serious harm to our manufacturers and workers.

Sustained reflection on the causes and consequences of the trade deficits has led me to three conclusions. First, there must be a general recognition that low-wage competition from less-developed countries is part of the problem. The low wages in those countries both undercut the economics of production in the United States and impede the development of a middle class that can purchase U.S. exports. Our trade policy cannot be complacent as first-world manufacturing plants are relocated to take advantage of less-developed labor markets, a phenomenon that makes it increasingly difficult for American employers to stay competitive and, at the same time, pay good wages and provide good benefits. If, as President Bush maintains, we are to be compassionate, let us start by making sure that American workers are not made worse off—on balance—by future moves toward freer trade with less-developed countries.

Indeed, the inevitable result of the current trade liberalization approach in many historically high-wage and ef-

ficient industries is bankruptcy. Need I tell Senators you about all of the steel companies in, or on the verge of, bankruptcy? Are we so naive as to believe that the problems of the steel industry—as well as the elimination of millions of manufacturing jobs across the economy since 1979—are unconnected to predatory trade practices by foreign producers and their governments? For those who have any doubts on this score, I recommend study of the recent Commerce Department report entitled "Global Steel Trade."

Second, we must recognize that a key objective of many of our trading partners in any full trade negotiation is to weaken U.S. trade laws, including our antidumping, countervailing duty, and safeguard regimes. It is an iron law of international trade negotiations and the implementation of international trade agreements—that, if the trade laws are "on the table," they will be weakened. Is there any doubt that the antidumping and countervailing duty laws were weakened in the Uruguay Round negotiations? Is there any doubt that we see more evidence of this weakening every day? Has the trade representative ever prevailed at the World Trade Organization in defending U.S. implementation of U.S. trade law? The United States simply must not once again enter into an open-ended negotiating round in which countries such as Japan, Korea, and the European Union are able to work in concert to eviscerate the framework of fair trade. Equally important, we cannot permit any international tribunal to interpret and to apply the trade laws of the United States.

Third, in addition to including strong labor and environmental protections in all trade agreements, we must adopt and enforce policies to attack hidden and non-tariff barriers and to effectively counter or challenge foreign subsidies for research, development, and exports. For example, we must do more to address the manner in which producers in many countries are able to control distribution in their home markets and thereby shut out their U.S. competitors. The current trade liberalization approach limits the ability of the United States to use import restrictions to ensure fair trade in our markets while giving mercantilist foreign countries virtually a free hand in excluding selected U.S. exports from their markets. In light of the record U.S. trade deficit, this imbalance can no longer be tolerated.

One last thought for Mr. Zoellick: The 106th Congress passed a joint resolution calling on the President to request an investigation of the steel industry under section 201 of the Trade Act of 1974. Such an investigation is necessary because of the crisis conditions I alluded to—total imports for 2000 approached the record levels set during 1998, prices for many steel products are at record lows, and many companies are in bankruptcy. On January 19, 2001, in a letter to the Chairman of

the International Trade Commission, then-President Clinton stated that "our analysis of the current and prospective import situation and recent events in the steel industry lead us to believe that Section 201 relief may be warranted in the near future." Mr. Zoellick, our steel companies and steel workers cannot wait for the "near future." The crisis is now. The remedies are at hand. Let us not tarry!

Mr. CORZINE. Mr. President, I rise in support of the nomination of Robert Zoellick to be United States Trade Representative.

I know Mr. Zoellick personally and am confident that he has the background and skills to do an outstanding job. He is an exceptionally bright and talented individual with a broad understanding of trade policy and a strong commitment to public service. President Bush deserves real credit for this selection.

Robert Zoellick has an extensive background that should prepare him well for his new position. During the administration of former President George H. W. Bush, he served as Deputy Chief of Staff at the White House, as Counselor of the Department of State and Undersecretary of State for Economics, and as the President's personal representative for the G-7 Economic Summits in 1991 and 1992. In the 1980's he also served at the Department of the Treasury in various positions, including counselor to Secretary James A. Baker III.

Mr. Zoellick is now poised to play an important role in the current Bush administration and could have a real impact on the future of our economy. In my view, it is critical that we continue working hard to open up foreign markets for American businesses, while maintaining a strong commitment to environmental protection and labor protections. Although it has received little attention, the United States has been running very large trade deficits in recent years, and our net foreign debt now exceeds \$1.5 trillion. This means we are increasingly dependent on foreign investors to maintain our economic strength, a vulnerability with potentially serious consequences.

I know that Bob Zoellick will be an aggressive advocate for opening up foreign markets. As the same time, I hope that he will work hard at forging consensus on the various trade issues that will come before the Congress. In particular, I am hopeful that he will work constructively with those who want labor and environmental concerns to be addressed seriously in international negotiations. I realize that this is a controversial area and that President Bush has expressed skepticism about incorporating these matters in trade agreements. However, if trade policy is going to enjoy strong bipartisan support, as it should, the administration will have to compromise.

Few people would be better prepared to navigate the complex political and substantive issues involved with trade

policy than Bob Zoellick. I believe he will be a highly effective trade representative, and I wish him the best of luck in his new position. I am looking forward to working with him.

Mr. DOMENICI. Mr. President, I rise today in support of Robert Zoellick to be United States Trade Representative. As the world economy of the twenty-first century continues to evolve, it is paramount that the United States continue to pursue comprehensive international trade, commodity, and direct investment policies that create growth and raise living standards both at home and abroad. By nominating Robert Zoellick for the position of U.S. Trade Representative, USTR, President Bush has chosen someone who is eminently qualified to coordinate these policies, and I look forward to doing all I can in Congress to support him.

A respected scholar at Harvard University and former president and chief executive officer of the Center for Strategic and International Studies, Robert is no stranger to public service. He served during President George Bush Sr.'s Administration with distinction in variety of important posts including Under Secretary of State for Economics, as well as the President's personal representative for the G-7 Economic Summits in 1991. From 1985 to 1988, he served as Counselor to Secretary of Treasury James Baker, as well as Deputy Assistant Secretary for Financial Institutions Policy at Treasury. Indeed, this extensive government experience, coupled with his outstanding academic credentials make Robert Zoellick a USTR nominee who I am proud to support.

Mr. DODD. Mr. President, I rise this afternoon to briefly comment on the nomination of Robert Zoellick to be United States Trade Representative. At the outset, I would first like to commend President Bush for choosing a nominee of such high caliber to take on the responsibilities demanded of the U.S. Trade Representative. Furthermore, I am pleased with the President's decision to keep the Trade Representative a Cabinet-level position. This was the right decision that reaffirms the United States's role in a global trading environment. I fully support Mr. Zoellick's nomination and look forward to working with him in the new Administration.

Mr. President, in a world that has become increasingly interconnected through and dependent on trade, a skilled and experienced Trade Representative is essential to ensuring that the United States maintains its position as a leader in this area. The U.S. Trade Representative has the dual responsibilities of fostering continued openness with traditionally underserved markets while at the same time safeguarding the well-being of American businesses and workers. I believe Mr. Zoellick's past experience makes him qualified to fulfill these obligations.

After earning both public policy and law degrees at Harvard University, Mr.

Zoellick went on to serve as a Deputy Assistant Secretary at the Department of the Treasury during the Reagan Administration. He then assumed the position of Under Secretary for Economic Policy at the State Department under President George Bush. He left public service to serve as the Executive Vice President of Fannie Mae and most recently sat as a fellow and board member of the German Marshall Fund of the United States.

Mr. Zoellick assumed a key role in some of the most critical trade deals to face the United States in decades. Some of his most notable achievements include managing the negotiations over German reunification after the fall of the Berlin Wall, fostering compromise that led to the creation of World Trade Organization, and negotiating approval of the North American Free Trade Agreement.

Mr. President, if, which I assume will be the case, Mr. Zoellick is confirmed as U.S. Trade Representative, he would assume stewardship of an agency that enjoys one of its strongest positions in its history. I would be remiss if I did not acknowledge the great strides made under the former U.S. Trade Representative Charlene Barshefsky, Deputy U.S. Trade Representative Richard Fisher, and their team.

In the last two years alone, we have passed legislation that created new trading opportunities in Sub-Saharan Africa and enhanced the Caribbean Basin Initiative program. And one of the most monumental trade achievements in recent history was the accession agreement reached between the U.S. and China with respect to its entry into the WTO and the granting of Permanent Normal Trade Relations status to China just last fall. These were both landmark agreements that have significantly altered the face of U.S.-Chinese trade relations. More importantly, they are accomplishments we can and should build upon.

And while we should take pride in these achievements, we must not lose sight of the tremendous tasks that still lie ahead, and upon being confirmed as Trade Representative, Mr. Zoellick will be faced with a number of unresolved trade matters that, in my opinion, will require his immediate attention.

First, we must continue to ensure that China adheres to the concessions it made in its WTO Accession Agreement with the United States in order to guarantee that American workers and industries gain the full benefits negotiated in this historic agreement.

Secondly, the Trade Representative will need to formulate solutions to our on-going troubles with the European Union (EU), specifically in regard to the beef-hormone and banana disputes. Moreover, the WTO is scheduled to rule on the EU's case against the U.S. with respect to foreign sales corporations. A ruling against the U.S. in this matter could result in almost \$4 billion in retaliatory tariffs being levied against American goods that could financially



ruin businesses and cost countless American jobs. Resolution of this issue must be a priority.

Finally, one of Mr. Zoellick's greatest challenges will be working with Congress to gain approval of fast-track trading authority for the President. This authority will take on increased importance at the upcoming Summit of the Americas in Quebec in April where, President Bush has stated, he will make the creation of a Free Trade Agreement of the Americas his number-one priority. Allowing the President to assure other world leaders that he will gain this authority will only increase the prospects of the this agreement becoming reality.

And while I support both of these initiatives, I do so with the additional belief that worker rights and environmental protections must be included within any fast-track legislation.

I am disappointed that President Bush has publicly voiced his opposition to these provisions as a part of trade agreements.

It is my hope that Mr. Zoellick will show some flexibility on these issues and be mindful of their importance in future negotiations. Absent these safeguards, it is my opinion that the President will face a difficult time obtaining the support needed to secure this critical trading authority.

In closing, Mr. President, I have long supported efforts to open the doors of trade to new markets. Expanded trade improves the lives of American workers by providing better paying jobs and increased markets for American goods. Ultimately, this translates into a stronger national economy.

I also believe that it can serve the purpose of slowly transforming countries that have been socially and politically intolerant into countries that recognize the rights of their own citizens. Ultimately, ruling by respect rather than fear is in their own best economic interest.

At the same time, I firmly believe that every effort must be made to balance the economic benefits of free trade with the needs of American businesses and workers and to vigorously enforce existing trade laws against unfair trading practices. The U.S. Trade Representative must be unwavering in this regard.

Mr. Zoellick has agreed to undertake this critical balancing act, and I believe his record as a fair and capable negotiator will serve him well as he assumes this post. Again, I wish to reiterate my support for his nomination as U.S. Trade Representative and urge my colleagues to do likewise.

Mr. McCAIN. Mr. President, "A foreign policy wunderkind," "Baker's second brain," "a resume so impressive it might be mistaken for a parody of overachievement," "the most impressive thinker of my time in government," "the best-prepared guy in the room," a man whose "board memberships read like the directory of the internationalist establishment," one

whose friends possess "almost a cultlike admiration for his intelligence, hard work, and integrity"—such praise for Bob Zoellick demonstrates the high expectations for his tenure as the United States Trade Representative. I share these hopes for his leadership of our ambition to expand free trade and restore America's rightful place at the forefront of global trade liberalization.

Unlike previous trade representatives, who often possessed more narrow legal backgrounds, Bob's range of experience at the Departments of Treasury and State, in the White House, and with organizations like NATO, the WTO, and the G-7 grant him unusual insight into the role of trade within the framework of America's broader engagement with the world. Bob's talents, combined with the enthusiasm and purity of his belief in free trade as a force to advance American interests and increase prosperity around the globe, suggest that he will serve well President Bush's mandate to push forward with a meaningful free trade agenda. If personnel is policy, as we often say in Washington, Bob's selection for the cabinet-rank trade post foretells important achievements in our nation's trade expansion efforts.

Yet such achievements will not come easily. America's economy, which has been the engine of global economic growth, is slowing, and there exists no broad-based domestic consensus on the benefits of free trade. Japan's economy remains mired in an enduring recession that can be ended only by fundamental structural reforms. China's implementation of its market-opening obligations under the WTO remains worryingly incomplete. The European Union, where growth has recently accelerated, retains significant market distortions that are reflected in its continued agricultural protectionism and the array of trade disputes with the United States over subjects like hormone-treated beef. The economic health of Latin America is mixed, and many African nations with tremendous trade potential suffer the pernicious effects of poor governance and civil strife. Clearly, Bob has his work cut out for him.

Given the challenges and opportunities ahead—and the critical role of trade to the continued dynamism of our own economy—our nation must, to the extent possible, speak with one voice in favor of trade expansion. Bob has pledged to work closely with the Congress on such priorities as creating a hemispheric free trade zone, providing the President with renewed trade-promotion authority, ratifying our bilateral trade agreement with Vietnam, locking in free trade with partners like Singapore and Jordan, and setting the stage for a new round of global trade talks. It is my hope that both parties in Congress will work constructively and in good faith with Bob and the Administration to advance this ambitious but achievable trade

agenda, for the benefit of the American people we serve.

As Bob noted in a "Foreign Affairs" article during the campaign, "A primary task for the next President of the United States is to build public support for a strategy that will shape the world so as to protect and promote American interests and values for the next 50 years. . . . America must capture the dynamism of the era and transform its new elements into the economic and security foundations for a future system." Such an integrated approach, which I strongly endorse, requires restoring our nation's leadership in liberalizing global trade. I wish Bob the best as he spearheads this effort, upon which rests our fondest hopes as a people for prosperity and purpose in the world.

Mr. LEVIN. Mr. President, today the Senate will consider the nomination of Robert Zoellick to become the U.S. Trade Representative. I will support confirmation of the nomination of Robert Zoellick.

Given the important contribution of the automotive industry to America's economic prosperity and job creation, I wish to flag two important automotive trade relationships that I hope will be made a priority by USTR designate Zoellick: the United States automotive trade relationship with Korea and with Japan.

I was disappointed to note that Mr. Zoellick was not asked during his Senate Finance Committee confirmation hearing last week about two trade agreements of key interest to the automotive industry: the 1995 Framework Agreement on Autos and Auto Parts between the United States and Japan and a 1998 United States-Korea Auto Market Access MOU. Neither have achieved the expected results of opening these markets to United States automotive exports. It is time to go back to the table and insist on the results we were promised.

The automotive industry is the largest manufacturing industry in the United States representing 3.7 percent of GDP. It ranks first among manufacturing industries in R&D expenditures spending over \$18 billion a year, employs almost 2.5 million Americans and exports more than any other industry. This is why it is so important for our USTR and the Administration to fight aggressively to allow this industry to compete on a fair and level playing field in foreign markets.

The 1995 Framework Agreement on Autos and Auto Parts between the United States and Japan was allowed by the Government of Japan to expire at the end of 2000. This is despite the Agreement's failure to accomplish its stated objective to significantly expand sales opportunities resulting in purchases of foreign parts by Japanese firms in Japan and through their transplants in the United States and to resolve market access problems for foreign autos and auto parts in Japan. The U.S. Government, working closely



with the American auto parts industry, organized labor and Members of Congress, developed and presented a significant proposal for extending and enhancing the 1995 Agreement. In the closing days of 2000 Japan was even unwilling to permit the extension of the existing Agreement which would have allowed time for the new Administration to pursue a more substantial five year agreement.

I urge the Bush administration, and Mr. Zoellick in particular, to make the renegotiation of a stronger and more effective agreement one of its earliest and highest priorities.

Regarding Korea, despite two separate automotive trade agreements between the United States and Korea intended to open Korea's market, we now have a rapidly increasing automotive trade imbalance between the two countries. Korea exported almost 500,000 vehicles to the United States last year but imported only 4,300 foreign vehicles from everywhere in the world. Foreign vehicles make up only .32 percent of Korea's total vehicle market, making it the most closed market in the developed world.

This is not a level playing field and should not be tolerated. This imbalance has occurred despite efforts by United States auto manufacturers to make long-term and extensive efforts to increase sales in Korea. I urge the administration and Mr. Zoellick to redouble the United States efforts to achieve market access progress in Korea, especially in urging the Government of Korea to take specific actions to reverse the anti-import attitudes and policies that so blatantly discriminate against foreign vehicles in Korea.

Mr. HATCH. Mr. President, I am pleased to support the nomination of Robert Zoellick as the next United States Trade Representative. I think that Bob Zoellick has the experience, education, and leadership skills to be an outstanding USTR.

Mr. Zoellick has had a broad range of experience in the executive branch, including the Treasury Department, State Department, and the White House. Chairman GRASSLEY has detailed his record of accomplishment.

Mr. Zoellick's experience is not just from the view of a government administrator. Since 1997, he has held a number of positions with private sector firms involved with asset management and capital development. This unique combination of public sector and private sector experience will prove vital to his performance as USTR.

As trade becomes more important to the economy of Utah and the United States as a whole, it is imperative that we have senior officials that understand the significance of free and fair trade. And it is critical that they can view trade issues with a vision of the attendant foreign policy, national security, and economic policy considerations that are at stake. I think Bob Zoellick can see the world from many perspectives.

The United States faces a number of key trade issues in the next few years. It will be a great advantage to American workers and American consumers if we can create a bi-partisan U.S. trade policy.

We need to look at the issue of granting new trade promotion authority to Ambassador Zoellick. But fast track authority alone should not replace the hard work and effort to forge bi-partisan support for U.S. trade initiatives.

My experience on the Judiciary Committee has taught me that intellectual property issues will play an increasingly important role in the international economy. We must make sure that the creative efforts of those who produce software, entertainment such as music and movies and breakthrough drugs and medical devices get the benefit of TRIPS implementation and enforcement. Frankly, we need to get better across the board at enforcing the trade agreements that we negotiate.

We also need to resist any efforts to impose unnecessary barriers on the emerging Internet economy. For example, we must work to see that computer downloads are not unduly hindered through tariffs or technical barriers.

I want to re-enforce many of the comments that my friend from West Virginia, Senator BYRD made with respect to the crisis among our domestic steel producers. I want to work with Mr. Zoellick and Senator O'Neill on the efforts by the Bush Administration to re-energize our domestic steel industry. I think at his confirmation hearing that Mr. Zoellick made the correct comment to Senator ROCKEFELLER, my other good friend from West Virginia, on the potential use of section 201 authority with respect to steel. We must come up with a comprehensive plan to help U.S. producers of steel like Geneva Steel from my state of Utah. Part of this plan must focus on foreign dumping and countervailing duties.

At his confirmation hearing, Majority Leader LOTT and I raised the bananas and beef cases and the use of the carousel rotation of product retaliation lists. We can't let the Europeans avoid the consequences when the lose WTO cases. Frankly, I think that one of the first things this Administration ought to do in the trade area is to follow the law we passed last year and immediately implement the carousel system.

The Korean government's recently announced \$2.1 billion bailout of Hyundai electronics raises many troubling questions. This development may be a direct violation of commitments made to the IMF in 1997. Specifically, USTR must examine whether this new bailout program is in accordance with the commitments made in paragraphs 34 and 35 of the 1997 IMF Standby Arrangement addressing, respectively, bank lending practices, and government subsidies and tax preferences. I trust that USTR will look into this,

and I want my colleagues to know that this is an issue that I take very seriously. Frankly this government bailout must be scrutinized by USTR so that we can be sure that American high technology firms like Micron can remain competitive in the international marketplace.

I am confident that Bob Zoellick can work effectively with Commerce Secretary Evans and other key Administration officials to bring the American public the promise of free and fair trade. We need to open new trading opportunities, but we also need to enforce U.S. trade laws and ensure compliance with international trade agreements.

Many believe—and I believe—that the Office of the United States Trade Representative is the best governmental trade organization in the world. We ask Mr. Zoellick to lead and inspire this very strong agency to perform even better. The citizens of Utah and throughout the United States have much at stake in the performance of USTR.

As a Senator who believes in the long-term benefits to America of free and fair trade, I plan to vote for Robert Zoellick and stand ready to work with him and my colleagues to build a strong, bipartisan trade policy.

Mr. President, I thank all Senators and I yield the floor.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAUCUS. Mr. President, I now yield to my good friend from North Dakota, Senator DORGAN, for 15 minutes.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank the Chair and my colleague from Montana, Senator BAUCUS.

Mr. President, I intend to vote for Bob Zoellick to be the U.S. Trade Representative. I am not a big fan of the U.S. Trade Representative's office—never have been—under Republican or Democratic administrations. My view is that our trade policy in this country is a mess. It has gotten worse, not better. We are headed towards a \$440 billion merchandise trade deficit.

In fact, it might be useful to show a chart that describes what has happened to our trade deficits. It shows that since 1993 our merchandise deficit has ballooned from \$136 billion to over \$440 billion. All the Republicans and all the Democrats that give us soothing assurances and say this trade policy of ours is working really well ought to take a look at these deficits, that are ballooning, year after year after year after year.

I want to talk a little about why I think it is so important, as we vote on

the confirmation of Mr. Zoellick, we need to expect something different from the U.S. Trade Representative's office. You could put a blindfold on and listen to both Republican and Democratic administrations over last 20 years, Republican and Democratic stewards at USTR, and you couldn't tell the difference between them. It wouldn't matter. It is all the same, all the same trade policy: Negotiate another agreement and hope things get better. However, what really happens is, they negotiate another agreement and things get worse.

I am told that we have, in the last 8 years, negotiated 304 trade agreements. I am also told, that some of the agreements cannot even be located in the offices of the Trade Representative, let alone get them enforced. At the time when we have negotiated 304 trade agreements, our trade deficit has increased over 300 percent.

Let me show you what bothers me from time to time about our current trade strategy. Let me do it in terms of T-bone steaks. I have a chart I want to share with you.

We negotiated a trade agreement with Japan in 1989 on the issue of beef. The U.S. could not successfully get beef into the country of Japan. So our negotiators went to Japan, and they negotiated really hard, and they got an agreement, and then they had a big celebration. They had banquets, and, Lord, they had headlines in the newspapers: "We have reached an Agreement with Japan." Good for them. God bless them.

Now 12 years later, we are getting more beef into Japan. Good for us. Do you know what the tariff is on every pound of beef that goes into Japan? Incidentally, these are T-bone steaks on the chart. As this chart shows, there is a 38.5-percent tariff on every pound of American beef going into Japan. This is 12 years after the great agreement with Japan, a country, incidentally, that has over a \$70 billion merchandise trade surplus with us, or to say it another way, a U.S. deficit with Japan.

By what justification does anyone who negotiates this kind of trade agreement stand here and say to American producers: We really scored a victory for you this time? These people obviously did not wear jerseys that said "USA" when they negotiated this one. They said: We will agree, after a phase-in, to a 50-percent tariff that will be reduced over time. Great, except it has a snap-back provision which says, the more you get in, the higher the tariff will be. So guess what. Twelve years later, we have a 38.5-percent tariff on every single pound of beef going to Japan. It is a failure. Not only do people not care about it, most people don't know about it; and nobody is going to do much about it.

If not T-bone steaks, what about cars? We just finished a trade agreement with China. We have over a \$70 billion merchandise trade deficit with China, and it is growing rapidly. Here

in the Senate, we did not have a vote on the bilateral trade agreement with China. If we did vote, I would have voted no. We had a vote on PNTR, but we did not have a vote on the bilateral trade agreement. We had negotiators go to China, and once again, apparently, they left their jerseys at home, the ones who say: "USA"—"Here is what I am negotiating for. I want a good deal for us."

Our negotiators go to China and negotiate an agreement. At the end of the agreement, after a long phase-in, here is what we have done on automobiles. We have said: Yes, there are probably 1.2 billion people over there, and if they are able to increase their standard of living, at some point they will become more affluent and want to start driving cars. If that happens there will be more automobile trade between the United States and China. What we will agree to, China, we will grant you access to our market at a 2.5-percent tariff on any cars, and we will allow you to have a tariff that is 10 times higher—25 percent—on any U.S. automobiles going to China.

What on Earth are we thinking about? Here is a country that has a huge surplus with us, or we have a huge deficit with them. We negotiate an agreement with them and say: Oh, yes, by the way, we will allow you to impose tariffs on automobiles 10 times higher than those we impose on you.

Time after time, there are examples of the incompetence of these negotiators, let alone the fact that once we get these agreements, as bad as they are for this country, they are not enforced. Do you know how many people we have enforcing our trade agreements? Yes, even the bad trade agreements with China? Seven. There used to be 10; now there are 7. China has done little to comply with any of our trade agreements. So now we have gone and negotiated a new bilateral agreement that is poorly designed and at the same time decreased the number of people monitoring and investigating how China is not playing by the rules. Our staff for China went from 10 to 7.

At some point we have to realize, that ballooning trade deficits we currently have in this country, are unhealthy for our country, our future and our economy.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, might I inquire how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Montana has 25 minutes 7 seconds remaining. The Senator from Iowa has 32 minutes 24 seconds.

Mr. BAUCUS. I yield 10 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank my colleague from Montana. I noticed on the floor the presence of my good friend and colleague from Louisiana. It was actually her idea that drew me

over here. I am glad she is here. I will try and be brief in my remarks and then defer to the Senator from Louisiana to share some of her thoughts.

Let me say, first of all, I am a strong supporter of Bob Zoellick to be the new U.S. Trade Representative. I think he will make a very fine Trade Representative. We worked very closely together over the years on other matters. He was at the State Department. I know him to be tremendously thoughtful, a good listener, one who is not afraid of new ideas and is attentive to a wide diversity of interests dealing with some of the issues affecting some of the very regions of the world I will address some remarks to, and that is Central America and Latin America back in the 1980s.

So I am a strong supporter of Bob's. He will do a great job. The President is lucky to have his willing services in this administration.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 4 minutes.

(The remarks of Ms. LANDRIEU and Mr. DODD pertaining to the introduction of S. 260 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WELLSTONE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. Who yields to the Senator?

Mr. GRASSLEY. Mr. President, I don't think I have authority to yield time, but I think Senator BAUCUS would be comfortable yielding 10 minutes.

Mr. WELLSTONE. Mr. President, I thank the Senator from Louisiana for her work.

Mr. President, I support Mr. Zoellick. I am not here to oppose his nomination at all, but I would like to express my great reservations about the direction of our trade policy. Unless I am mistaken, I think I heard the majority leader today out on the floor saying that we need to, of course, have the trade but we need for it to be fair trade. I was pleased to hear his very strong remarks.

I guess it was about maybe a month ago that I was on the Iron Range of Minnesota with the taconite workers at a gathering at Hoyt Lakes. There were about 1,000 workers there, although 1,300 of them have lost their jobs. The LTV Steel Company closed down. They shut down the taconite operation. Fourteen-hundred workers on the Iron Range lost their jobs. Other workers, by the way, are being laid off at other mines. It is not just those workers. It is the subcontractors. It is their families. It is the people in the community.

I never mind saying this because it is just true. Even though you talk about one region of the State, you never want to act as if you don't care about other regions. Northeastern Minnesota is like a second home to Sheila and I. This is where our campaign started in 1989. They supported me when no one

thought I ever had a chance. These are people with the greatest work ethic in the world. They are just incredible people. There are a lot of broken lives, broken dreams, and potentially broken families in northeastern Minnesota.

I always go to one high school just to stay in touch with the students there. I have been there about three or four times in the last year or two. The discussions with the students are so poignant. They want to know if they can afford college. They want to know what is going to happen to their mom or dad, and whether or not there will be any jobs for them. These are good jobs that pay probably \$65,000 a year, counting health benefits. There are not a lot of other jobs such as that. Of course, there will be a future because when you have people with such a strong work ethic and who are so self-reliant and self-sufficient it will happen.

But I want to say this on the floor of the Senate. When I was at this gathering, I was looking out over about 1,000 workers. And I thought to myself: These are industrial workers. All too often in our trade policy and all too often on the floor of the Senate and on the floor of the House of Representatives, they have been out of sight and out of mind. I could add the auto-workers to the steelworkers, and a lot of industrial workers as well.

In this particular case, the import surge of steel—in the case of taconite workers, it is semifinished steel—slab steel from Brazil, from South Korea, from Russia, and from other countries way below our cost of production has essentially put them out of work. These steel workers on the Iron Range of Minnesota want to know where they fit into this international economy. I say this to Mr. Zoellick—and I will say it every day for the rest of my time in the Senate—why can't we have a trade policy that, of course, recognizes the importance of trade but also works for working people in our country? If it is true that we live in an international economy—yes, it is true—then if you care about human rights, you have to care about it not only in our country but other countries. If you care about the right of people to join a union and make decent wages for their families—you have to care about that, not only in our country but other countries as well—if you care about religious freedom, you have to care about this in our country but other countries as well. If you care about the environment, you have to care about it in an international context. But from NAFTA to GATT to WTO to efforts to have fast track here and there, I have not seen an effort to really talk about a fair trade policy.

I am not an isolationist. I am an internationalist. My dad was born in Odessa, Ukraine. He fled persecution in Russia. He spoke 10 languages fluently. I grew up in a family where there was no other choice but to be an internationalist. But there has to be some

new rules that come with this international economy.

This has to be an international economy and global economy that works for steelworkers—workers for autos, workers for family farmers, the environment, and human rights. That is not the case now. Lord, I have given enough speeches on the Senate floor about human rights violations in China and other countries as well. I will not do that today.

I make this appeal to Mr. Zoellick and appeal to my colleagues that, whatever we do, let's try to figure out some additional steps we can take that will give some assurance to hard-working people in our country so they don't get the short end of the stick and get spit out of the economy because we have no level playing field.

That is what has happened to these steelworkers on the Iron Range. That is exactly what has happened to these taconite workers.

I think Senator DAYTON would say the same thing. We are desperately trying, with Congressman OBERSTAR and others, to get trade adjustments to people. We hope the taconite workers fit into that. We want to talk about section 201, and the Rockefeller bill deals with the whole problem of unfair trade in steel, and whether or not we have to say to the other countries we can't deal with these import surges, especially if we think it is a dumping of steel, or semifinished steel well below the cost of production; especially when you talk about countries where people do not get decent wages, where there are no OSHA or any workplace safety rules.

There has to be a way we can have some competition and a trade policy that makes sure steelworkers on the Iron Range of Minnesota and family farmers and people who care about the environment and people who care about human rights figure in. I think those industrial workers are simply off the radar screen when it comes to politics in the Nation's Capital today.

There are two Senators on the floor: Senator GRASSLEY from Iowa, who is chair of the Finance Committee, one of the best Senators in the Senate—he is wrong on every issue but he is one of the best Senators in the Senate—and Senator BAUCUS, who is also ranking member of the Finance Committee, who is very skillful. I say to both of my colleagues and other Senators, I hope maybe this year, since we are 50/50, and we will have a lot of passionate debates, there are certain areas where maybe we can work together. Maybe there are some things we can do to try to make this trade policy work a little better for some of the people in our country and in this particular case for some of the steelworkers on the Iron Range and some other people in my State much less other States. That is the appeal I make today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

GRANT ALDONAS

Mr. GRASSLEY. Mr. President, I rise for a very special purpose relating to the work of the Senate Finance Committee and the aspect of our work that deals with international trade and the high caliber of staff who have been on the International Trade Subcommittee over a long period of time. But I take special note of one of our staff people, our chief trade counsel, Grant Aldonas. He is right here.

He is going to soon be leaving the position that he has with our committee. It is going to be a loss for our committee, and particularly for me as a new chairman. It is going to be a tremendous loss because people of his caliber who are so successful in the private sector and are willing to come back into public service are few and far between. He is one who has done that. He has done it for 3½ years as the Finance Committee's top trade lawyer. He served Senator Roth before me with the greatest of professionalism and diligence; he has done a very good job.

Grant has left his mark on some of the Senate's most significant trade policy initiatives—the passage of the Trade and Development Act of 2000, and the passage of the bill that has been on everybody's mind over the last 3 or 4 years giving permanent normal trade relations status to the great country of China. This was chief among all the work that he did for that period of time on the Senate Finance Committee.

I think I can speak for members of the Senate Finance Committee on both sides of the aisle. They have come to rely upon Grant's skill and judgment. Even though he is very skillful, judgment is the greatest asset that he has when dealing with the policies of international trade, not only from the domestic standpoint but from the international standpoint. Judgment with good common sense is very important.

I have already referred to his success in the private sector. That is because he is a good lawyer. He is also a good public servant and just a plain good person.

I wish you, Grant, and your wife Pam all the best in your new life beyond the Hill. Thank you very much for your services.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield myself such time as I consume.

I join in the remarks of our distinguished chairman to Grant Aldonas. I am fond of saying I believe the most noble human endeavor is service—service to church, to family, to the community, State and Nation; whatever makes the most sense for each one of us graced to be on the face of this Earth particularly public service—more particularly, public service where

you don't get your name in the headlines or the evening news, public servants who don't have huge egos but are working for the country in the best interests of the United States of America and all Americans. Grant certainly is in that category.

Grant is a guy who works behind the scenes to get results. Again, it is not headlines. It is talking to all the Senators, the Senators' staffs, the administration, whoever it is he must talk to in order to get a result, legislation, something passed for the sake of the people.

He is a great bipartisan kind of a guy. He is particularly effective because of his prior service, whether USTR, the State Department, or private sector.

I do think his background as a lawyer helps. The understanding of the law helps one be effective. There are very bright and fine ways to get around that stuff, but generally I think a legal background is quite helpful.

Whether it is China, PNTR, or trade bills of Africa, Caribbean, Grant has been there—a true professional, calm, even tempered, smart, creative thinking, diligent, hard working, focused on getting results.

I underline the point the chairman made; namely, of Grant's sense of judgment and his common sense, a commodity which is probably one of the most important a person can have. We will miss you, Grant. We know you will go on to bigger and better things. We also know in the real sense you will not have left. We will still be able to call you, seek your advice, and wish you the very best.

In the remaining minutes, I thank the Senators who have spoken. They make very good points on which I know the administration and Mr. Zoellick will focus.

How we bring all the components together for coherent consensus in developing a trade policy for America is extremely difficult. It includes business interests of America, labor interests in America, and environmental interests in America. It includes all the Americans who think they are left out of trade and the benefits of trade agreements. Companies do pretty well in some places and employees wonder where they fit in to all of this. We have to work harder to develop that consensus. I very much look forward with the chairman and people such as Grant and others in the administration to develop that consensus. Frankly, we have no other choice. We have to find that consensus to be effective and serve our people.

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

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

Mr. DASCHLE. Mr. President, I want to say a few things about the nominee and about the larger issue of trade.

I commend my distinguished ranking member for his comments earlier and those who have already expressed themselves. It goes without saying, and it ought to be emphasized, that Robert Zoellick is going to be an excellent Trade Representative. He has broad Government experience and a record of achievement that is enviable. His experience in the State Department, the Treasury Department, and the White House is a clear demonstration of his commitment to public service and public policy.

The USTR role is one that I think is an increasingly important role in the Federal Government, particularly given the increasing importance of trade and globalization generally.

I am concerned about reports that consideration was given to downgrading the position from its Cabinet rank, and I am very pleased that the Cabinet rank in this case will be retained.

As I look back over the 106th Congress, one could argue that some of our greatest achievements were in the field of trade. We enacted the Caribbean Basin and African trade bill. We met our obligation under the WTO regarding FSC. We granted permanent normal trading relations to China, paving the way for the most populous country in the world to join the global rules-based trading system.

Now we have a chance to build upon the achievements and the record of the 106th Congress by promoting the economic, national, and foreign policy interests of the United States in a global economy.

The United States is uniquely positioned to benefit, in my view, from increased globalization. First, we have the most productive economy in the world. Second, we have a comparative advantage in an increasingly information-based global economic framework.

Globalization improves productivity as countries specialize in areas of comparative advantage and puts downward pressure on prices consumers face. We have seen examples of that over and over.

The promotion of international understanding and the reduction of international conflict is critical if this is going to happen in the months and years ahead.

The freer flow of goods, capital, people, and ideas around the world creates interdependence and understanding that both can help lower the probability of conflict and raise the cost of conflict.

There is an economic cost to a nation being ostracized from the global economy. Economic liberalization advances key foreign policy goals such as increased economic freedom and reduced poverty. So the stakes could not be much higher for us or for the world as we create this global framework and recognize the advantages of participating in it.

We also have to recognize that participation in and of itself is not all nec-

essarily positive. There is a lack of domestic consensus on expanded trade and globalization, and as we consider all of the public policy choices we will face in the 107th Congress, I hope we work to try to build a better consensus, one we did not have in all occasions last year.

We start building that better consensus by recognizing that globalization can inflict costs on certain groups, and those costs need to be addressed.

Workers in import-competing countries may face downward wage pressure and job loss. In a recent study, "Americans on Globalization" the author, Steven Kull, found that people would be much more supportive of increased globalization if the government did more to help people who lose out through trade. I believe that is true. I do not think there is any question that if we could find ways with which to address that concern, a consensus could be more the reality than it is today.

Fully 66 percent of respondents agreed with the following statements: I favor free trade, and I believe it is necessary for the government to have programs to help workers who lose their jobs.

That is all they seem to be asking: the realization that there are people who get hurt as this new infrastructure gets established.

Another 18 percent favored free trade in the absence of such help, while 14 percent opposed it with or without the help. We have 66 percent of the people who say they favor free trade so long as we address the problems of free trade. We need to work together to do that to address those problems.

Our challenge is to build that consensus on trade policy in a global economy, not only in this country but around the world.

I look forward to working with Bob Zoellick and my colleagues on the challenge we face in doing that constructively and successfully.

There are some key elements, in my view, for building that consensus. First, I believe one of the key and perhaps one of the fundamental approaches that will be required is a realization that expanded worker adjustment assistance is one way with which to ease the pain and address the problem. A more broad-based, flexible, and effective adjustment assistance program is clearly needed, and I hope we all can accept that realization.

A smooth transition from displacement back into the workforce is important for communities and the overall economy, and such assistance is critical to building consensus on moving forward on greater trade liberalization.

Bob Zoellick was a key member of the Trade Deficit Commission. The Commission did not agree on the underlying cause of the trade deficit or how to remedy it. The only area of broad bipartisan agreement was for expanded worker adjustment assistance. I look forward to working with Mr.

Zoellick in this area. I look forward to recognizing the possibility for bipartisan consensus on expanded worker adjustment assistance. I hope it will be an integral part of anything we do in the longer term with regard to trade policy.

A second element is increased support and emphasis on lifetime learning. A policy that waits until someone loses a job is doomed to failure. Over time, the goal has to be to embed the culture with an appreciation of learning and upgrading skills throughout one's life, and that by doing so, economically and educationally, this new construction of lifelong learning can be an integrally important and extremely essential part of anything we do to advance the cause of world trade.

Let's recognize that building those learning skills and upgrading them throughout life must not be viewed simply as an education issue but as a trade issue.

Third, we must advance labor and environmental standards around the world. I believe this has to be done on a bilateral and multilateral basis. Recent bilateral trade pacts, such as the one with Jordan, have begun to make progress in this critical area. But there is so much more that needs to be done. We recognized it in the bilateral arrangement with Jordan. We ought to recognize it in any new bilateral arrangement. But, clearly, we have to recognize it in multilateral efforts as well.

We recognize how difficult it is. We recognize how challenging. We recognize how divisive. We recognize how much debate, and in some ways confrontation, has occurred over issues relating to labor and environmental standards. But we also must recognize that if we are going to address increased consensus, we must address this issue.

We also must make sure that our trade laws work and are perceived as fair. Fair trade laws help create an environment that maintains consensus for the openness we all seek in the first place. We have to maintain vigilance to ensure that laws are perceived as fair both inside and outside the country. Frankly, we have not always done a good job at that.

The steel industry is one such industry. Despite substantial investment and modernization, steel has faced repeated pressure from dumped steel all over the world. We have to do a better job.

We have to also understand the importance of making the WTO work better. Greater transparency and avenues for participation are needed. In the United States, we must advance those reforms.

We have to help poor countries. Greater globalization holds great promise for further reducing poverty in poor areas. But the United States and other rich countries need to continue to help poor countries participate in the WTO, and the trading system gen-

erally, and be mindful that poor countries often seem to believe that globalization is being imposed on them. We simply cannot allow that to happen.

So I look forward to working, on a bipartisan basis, on all of these challenges. I look forward to working with the soon-to-be-confirmed USTR and with my colleagues. As I talked a moment ago about steel and dumping, there is an array of dumping and serious imbalances in trade with our European and Canadian allies with regard to agriculture that also must be addressed—whether it is meat or agriculture in a number of ways, or whether it is the New Softwood Lumber Agreement with Canada.

The Softwood Lumber Agreement with Canada expires in a few short months. There is a major risk of a flood of imports entering our market at a time when low timber prices already have led to mill shutdowns and closures. This will be one of the first issues that Mr. Zoellick will have to face. I share Senator BAUCUS' concern, as he has taken a leadership role in addressing this matter.

We need a new agreement with all stakeholders at the table. We need to address agriculture with all producers, processors, and traders at the table.

We need to understand the implications of the imbalances, the dumping, and the serious problems that we face in agriculture today as a result of unfair trading practices in agriculture. That has to be addressed and put on the table.

We have to work towards a consensus, as I said a moment ago, on labor and the environment. I hope we can find common ground on those issues as well.

The President has made a strong nomination. I know my colleagues will be as supportive of this nominee as I am. I hope and expect it will be an overwhelming vote. But I also hope and expect that this is not the end but the beginning of the creation of an even more balanced trade policy with more consensus on international trade and globalization, and a realization that that consensus depends on how effectively we address myriad challenges that we have not addressed successfully to date. I look forward to working with our nominee and with my colleagues in that regard.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SPECTER. Mr. President, I intend to vote for Mr. Robert Zoellick for U.S. Trade Representative. I believe he brings excellent credentials to this position. I do believe the new President,

President George W. Bush, is entitled to discretion but, in any event, this is a qualified man. I would like to take a moment or two to talk about the enforcement of U.S. trade laws, especially as they relate to a very serious situation in my State with respect to the steel industry.

Steel has been victimized in the United States by illegal trade practices, trade practices which violate U.S. law and trade practices which violate international law.

We have had a surge of dumping in the United States which has cost the steel workers, in the past two decades, a reduction in employment from close to half a million steel workers to now less than 160,000 workers, and a situation where many steel corporations today are on the verge of bankruptcy.

We need to see to it that dumping is not permitted in this country. Simply stated: Dumping is where steel, for example, is sold in the United States at a lower price than it is sold in the country from which it is exported.

I have introduced legislation in the past and intend to reintroduce it this year which would provide for a private right of action, which would enable the corporation or the injured workers and the union to go to Federal court and to get injunctive relief. That relief can be obtained very promptly.

It is possible, under the Federal Rules of Civil Procedure, to get a temporary restraining order on an ex parte basis on the filing of affidavits—there has to be a hearing within 5 days, evidence can be put into the record, equity actions can be tried very promptly, and that is an effective way to see to it that U.S. trade laws are enforced and that they are consistent with international trade laws.

Last year we legislated on a matter on a bill introduced by Senator DEWINE of Ohio and backed by quite a number of us in the Senate steel caucus, a caucus which I chair, with the cochair being Senator JAY ROCKEFELLER of West Virginia. Then through the leadership of Senator ROBERT BYRD of West Virginia, with my concurrence in the Appropriations Committee, we put that bill into effect last year which provides that where duties are imposed for violations of U.S. trade laws, that those duties are paid to the injured parties instead of going into the U.S. Treasury.

Obviously, it is desirable to have funds go into the Treasury, but where it can be ascertained that the illegal foreign trade practices resulted from a violation of U.S. trade law and can be traceable to damages to specific companies and individuals, that is where those duties ought to be paid.

A question has arisen as to whether the United States will fight to retain that legislation against complaints by some of the foreign countries where infractions have been found. I do hope our new Trade Representative will enforce that legislation which was passed by the Congress and was signed by the

President under an appropriations bill last year.

I make these comments because U.S. jobs, U.S. industrial interests ought not to be sacrificed for foreign policy or for defense policy. Not too long ago, when we were anxious to back up the Russian economy, we permitted tremendous dumping of steel by Russia in the United States. While I am concerned about the stability of the Russian economy, I am candidly more concerned about the stability of the Pennsylvania economy and the U.S. economy. But fair is fair. When the laws are on the books, they ought to be enforced and they ought not to be sacrificed for collateral U.S. interests on foreign policy or on defense policy.

I make these comments with the hope that our new Trade Representative will be a vigorous enforcer of U.S. trade laws and that my colleagues will consider the legislation, which I will introduce later in this session, which will provide for that private right of action.

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

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

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Robert B. Zoellick to be United States Trade Representative?

The yeas and nays are ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Louisiana (Mr. BREAUX) and the Senator from Hawaii (Mr. INOUE) are necessarily absent.

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

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 9 Ex.]

YEAS—98

Akaka	Chafee, L.	Enzi
Allard	Cleland	Feingold
Allen	Clinton	Feinstein
Baucus	Cochran	Fitzgerald
Bayh	Collins	Frist
Bennett	Conrad	Graham
Biden	Corzine	Gramm
Bingaman	Craig	Grassley
Bond	Crapo	Gregg
Boxer	Daschle	Hagel
Brownback	Dayton	Harkin
Bunning	DeWine	Hatch
Burns	Dodd	Helms
Byrd	Domenici	Hollings
Campbell	Dorgan	Hutchinson
Cantwell	Durbin	Hutchison
Carnahan	Edwards	Inhofe
Carper	Ensign	Jeffords

Johnson	Miller	Smith (NH)
Kennedy	Murkowski	Smith (OR)
Kerry	Murray	Snowe
Kohl	Nelson (FL)	Specter
Kyl	Nelson (NE)	Stabenow
Landrieu	Nickles	Stevens
Leahy	Reed	Thomas
Levin	Reid	Thompson
Lieberman	Roberts	Thurmond
Lincoln	Rockefeller	Torricelli
Lott	Santorum	Voinovich
Lugar	Sarbanes	Warner
McCain	Schumer	Wellstone
McConnell	Sessions	Wyden
Mikulski	Shelby	

NOT VOTING—2

Breaux Inouye

The nomination was confirmed.

### LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

### UNANIMOUS CONSENT REQUEST

Mr. CRAIG. Mr. President, I have a series of unanimous consent requests that I will proceed with. I ask unanimous consent that at 1 p.m. on Wednesday, February 7, the Senate proceed to the U.N. dues bill if reported by the Foreign Relations Committee, and all amendments offered be relevant to the subject matter of the bill and cleared by both managers. I further ask consent that if the committee has not reported the bill by 1 p.m., it be immediately discharged and the Senate proceed to its immediate consideration.

Mr. FEINGOLD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Wisconsin.

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

The PRESIDING OFFICER. Does the Senator yield?

Mr. CRAIG. I do not yield. I have another unanimous consent to put us in morning business.

Mr. FEINGOLD. I object.

The PRESIDING OFFICER. The objection is heard.

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

The PRESIDING OFFICER. The Senator from Idaho has the floor.

### MORNING BUSINESS

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate now be in a period of morning business with Senators speaking for up to 10 minutes each.

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

### CELEBRATING PRESIDENT REAGAN'S 90TH BIRTHDAY

Mr. LOTT. Mr. President, this is a remarkable day in American history. Today we celebrate the 90th birthday of Ronald Reagan, the 40th President of the United States. As a Senate, we send to him our heartfelt best wishes for his continued recovery from a recent surgery and we thank him for all

that he has done to make America, the Shining City on the Hill. Ronald Reagan stands in the first rank of freedom's pantheon. Happy Birthday, Mr. President.

I ask unanimous consent that an article highlighting Ronald Reagan's early journey through politics, Rehearsals for the Lead Role, written by John Meroney, associate editor of The American Enterprise, be printed in the RECORD.

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

[From the Washington Post, Feb. 4, 2001]

#### REHEARSALS FOR A LEAD ROLE

*Ronald Reagan was a liberal, an actor; a labor chief, but some unscripted plot twists forged a new character*

(By John Meroney)

HOLLYWOOD.—All day, memories had been flooding back to him. Riding home from the airport across the west side of L.A., he was traveling the same streets he had driven years before. Back then he knew the town by heart, and used to drive it with the top down on his green Cadillac convertible.

As the car pulled into the residence of 668 St. Cloud Rd. in Bel Air, the city was beginning to slip into the afternoon dusk. Millions of tiny lights would soon fill the L.A. basin, a scene he always thought remarkable. And looking out across it on that January day when he became a private citizen 12 years ago, Ronald Reagan knew that had it not been for the events of his life in this place, he probably never would have been president.

This week, Ronald Reagan will join John Adams and Herbert Hoover as the only presidents to reach the age of 90. An entire generation knows him only as president or as the ailing statesman living in seclusion. Even though Reagan was a movie star who appeared in 53 motion pictures, and is unique among presidents in that so much from his early years is preserved on film for posterity, that critical part of his life has largely become forgotten history.

His movies rarely appear on television. (During the 1980 presidential campaign, Federal Communications Commission officials banned them from broadcast because they asserted it gave him an unfair advantage.) Dozens of books have been written about him, but the three decades he spent as a movie star and labor leader are given scant attention in most.

This is remarkable given that Reagan's life during the 1940s and '50s was often more dramatic than the parts he played. He lived in surroundings so compelling that they have formed the basis of many great films, such as "Chinatown" and "L.A. Confidential." Writers from Raymond Chandler to James Ellroy have for decades carved their stories from Reagan's era in Hollywood. The town was at the height of its glamour, and was steeped in national political intrigue. And Ronald Reagan not only witnessed this, but was a central figure to much of it.

Recently, new details about his life have emerged, presenting a more accurate and deeper understanding of him. Last fall, Nancy Reagan published a collection of dozens of love letters and personal correspondence her husband wrote that reveal a creative and passionately emotional side to the 40th president. A collection of 677 scripts for radio commentaries that Reagan wrote by hand during the 1970s was recently discovered by researchers, and is being published this week. They document a man with clearly defined ideas about public policy.

Still, there persists the caricature of Reagan as a B-movie actor who used the talents he honed on soundstages in Burbank to



attain high office where he stumbled into the end of the Cold War. Even his conservative supporters have perpetuated this view. Reagan national security adviser Robert McFarlane once remarked, "He knows so little and accomplishes so much."

But a close review of the historical record, and recent interviews with those who knew Reagan best during the 1940s and '50s, show a man profoundly affected by his experiences as a movie star and six-term president of the Screen Actors Guild. He emerges as a complex individual who—through what he once described as intense "philosophical combat"—changed his political ideology. Contrary to assertions (which Reagan himself often encouraged) that he became a Republican because the Democratic Party abandoned him, Reagan actually went from being a staunch liberal who participated in Communist front groups to a stalwart anti-communist because of his firsthand experiences dealing with Communist Party members.

History sometimes reveals the moments and incidents that mold and shape our presidents. Most of Ronald Reagan's occurred here. In part, he is simply a man who loved (as he called them) "pictures"—being in them, talking about them and the business of making them. But it was a growing obsession with politics that sharply diminished his acting career, helped destroy his first marriage, and changed his life forever.

Reagan's involvement with the Screen Actors Guild spanned more than a decade, and even before he became president of it in 1947 (a position that paid him no salary or benefits), he immersed himself in its work. He would often speak extemporaneously for extended periods on the labyrinthine matters of the industry workforce, impressing professional negotiators with his knowledge of thorny labor issues.

The nature of Reagan's role as labor leader isn't the only part of his life that runs counter to the popular perception. In the years after his divorce from actress Jane Wyman in 1948, Reagan was living a life that most who know him best as the grandfatherly president would never recognize. Indeed, Reagan was handsome, rich (spending in excess of \$750 a month on dinners and nightclubs) and dating some of the most beautiful actresses in the business.

Hollywood was booming. It was, as David Niven once described it, filled with great personalities, but controlled by arrogant moguls, overcrowded and smelling of despotism, nepotism and blacklists. Los Angeles supposedly had more swimming pools and private detectives per square mile than any other place in the world.

#### "THE GIPPER" IS BORN

When Reagan arrived in Hollywood in May 1937, the country was still in the Depression, but L.A. still had a grand style about it. Virtually all of the residences Reagan had here still exist, and are largely unchanged. His first apartment was at the elegant Art Deco Montecito apartment building on Franklin Avenue in Hollywood. Today, as one walks into the lobby and then the unit that he rented, the romance and glamour of the era become obvious.

Barely 12 months later, Reagan's career was in full flourish. By the end of 1938, he had already made nine pictures. "Brother Rat," the story of cadets at the Virginia Military Institute, is perhaps the best among them. More important, he had fallen in love with his co-star, Wyman, and they married just over a year later. The Warner Bros. publicity machine was churning out press releases touting them as the new all-American couple.

Jack Warner typically knew a good thing when he saw it, and from the moment of

Reagan's screen test, he took a liking to the young man from Dixon, Ill. Now, Reagan seemed to be exceeding expectations. For years, he had dreamed about making a movie based on the life of the legendary Notre Dame football star George Gipp, whose deathbed words became a rallying cry for the Fighting Irish. In his spare time, Reagan would make notes about a possible film. And when he heard that Warner had given the green light to a picture about Notre Dame coach Knute Rockne, he saw his chance.

"I've been a great fan of Gipp's throughout his career, and I've read just about everything that's been written on him and Rockne," Reagan told Pat O'Brien, who was signed to play Rockne. "I can play the part. I won't let you down," he pleaded. Studio records show that Reagan beat out both John Wayne and William Holden for the part of Gipp. "Knute Rockne, All American" was released in 1940. And the line "Win one for the Gipper" eventually became as synonymous with a politician as "I like Ike."

By the middle of 1941, Reagan was making almost \$2,000 a week. He and Wyman had built a house on Cordell Drive, just above Sunset Boulevard, with a sweeping view of the city. (Record producer Richard Perry lives there now.) And Warners was about to release "Kings Row," a film that it had been holding for a year, afraid of how audiences might react to its depiction of an idyllic small town that turns sinister. Reagan gives what is arguably the best performance of his career as Drake McHugh, a happy young man with a bright future who wakes up after a train accident to discover his legs have been needlessly amputated. "Where's the rest of me?!" he screams.

On a hot July day of that year, Wyman suggested to SAG Executive Director Jack Dales that her husband would be the best candidate to fill a vacant alternate position on the SAG board of directors. "I remember Jane looked at me and said, 'My husband might be president of SAG one day,'" Dales remembers today. "Then she added, sort of jokingly, 'Who knows, he might even be president of the United States.'" With that, Ronald Reagan's life began to take a completely different turn.

#### A WITNESS TESTIFIES

On April 10, 1951, in Room 226 of what is now the Cannon House Office Building on Capitol Hill, actor Sterling Hayden was under oath, describing to members of the House Committee on Un-American Activities what had caused him to join the Communist Party. "There was something boiling inside of me," said Hayden, whose unforgettable face made him look like one of the toughest characters in all of Hollywood. (Years later, he would play the Air Force general who sets off nuclear war in "Dr. Strangelove" as well as the corrupt police captain in "The Godfather.")

"I felt reluctant accepting the very lucrative and easy life Hollywood had offered me," he said. "All of it planted a seed: If I could do something about the conditions of the world, I could probably justify my position as an actor. I was appalled at what the Communists were telling me. I would get propaganda literature, scan it, and then burn it up."

Hayden said he left the Communist Party after being convinced it was ultimately being directed by Joseph Stalin. "Joining was the stupidest, most ignorant thing I have ever done," he said. Hayden said Communists tried to paralyze entertainment industry labor unions so that all studio workers would eventually be organized under one gigantic union controlled by the party itself, and he was asked what stopped them. "They ran into Ronald Reagan, who was a one-man battalion."

#### AN FDR DISCIPLE

Although he was a captain in the Army, Reagan spent most of World War II in Culver City, Calif., because his nearsightedness prevented him from being in combat. His responsibility while stateside was to help administer the Army Air Forces 1st Motion Picture Unit at the Hal Roach Studios, making military training and promotional films.

Making "This Is the Army," a 1943 musical for Warners, and watching Franklin Roosevelt prosecute the war, stirred Reagan's longings to be a part of it. It also increased his zeal for the leadership in Washington. "Ronnie really idolized FDR," remembers Dales. "I mean, you have to understand, Ronald Reagan thought Roosevelt was a true savior. And by getting involved with the politics of the Guild, he heightened his reverence for FDR's abilities. There's no question that I think he imagined himself having a major role in our industry that way."

Biographer Edmund Morris once interviewed a man in the Signal Corps who encountered a distraught Reagan all alone on the studio lot just after FDR's death in 1945. "He seemed really stricken, like he had a migraine," said Elvin Crawford. "When he looked at me I saw he was in despair. 'Oh, sergeant, I don't know what's going to happen to this country.'"

As the celebrations of victory in World War II ended, Americans were flush with success in practically every area of their lives. Some 90 million were going to movies every week. And within what seemed like just a moment, Hollywood was on the front lines of the Cold War.

#### THE ERA OF FBI SURVEILLANCE

Today, the concern about Soviet subversion that gripped the country through the late 1940s and '50s seems odd. After all, the Soviet Union had been an ally during World War II. But once no less an authority than Winston Churchill announced that "an iron curtain has descended" across Europe in his famous 1946 speech in Fulton, Mo., and he warned that the Communist Party was "seeking everywhere to obtain totalitarian control," Americans began to look at Soviet influence in a different light. Washington had become aggressive in its efforts to investigate possible subversion and infiltration from elements deemed loyal to Stalin, and because films and entertainment reached such wide audiences, Hollywood seemed a ripe target for propaganda.

On Capitol Hill, the House Un-American Activities Committee (HUAC) convened hearings in October 1947, at which Reagan testified. Although he cooperated with the HUAC, he resented government interference in the business he loved, later calling the panel (which included another future president, Richard Nixon) a "pretty venal bunch."

The FBI conducted surveillance on thousands of prominent Americans, including Reagan. But Reagan was also helping J. Edgar Hoover gather information about others, and agents first visited him in 1941. While most of the information Reagan provided pertains to possible Communist influence, the FBI appears to have been interested in anything politically controversial. In 1943, for example, he told an agent about a party where anti-Semitic statements were made. "Captain Reagan became highly incensed and withdrew from the conversation," according to the report contained in Reagan's partially declassified FBI file. "He said that he almost came to blows" with someone who had spoken disparagingly about Jews.

In every war, there is injustice and unfairness, and the Cold War was certainly no different. Careers were sidetracked, others destroyed. Actress Jane Wyatt (TV's "Father



Knows Best") is one example of someone who was inadvertently caught up in organizations that eventually turned out to be Communist front groups. Wyatt was blacklisted, and in order to work again, she had to publicly criticize the party.

Director John Huston, who worked at Warner Bros. during Reagan's time there, was sympathetic to those on the blacklist. In his memoirs of Hollywood published in 1980, he wrote: "There is no doubt in my mind that the Communists were out to proselytize, to win converts. But there is also no doubt in my mind that activity in no way posed a threat to national security. The Communists I knew were liberals and idealists, and would have been appalled at the idea of trying to overthrow the United States government."

#### HOLLYWOOD HAS NO BLACKLIST

Part of the journey to understand how this backdrop influenced Reagan's life and eventually the presidency takes one to—of all people and places—Hugh Hefner and the Playboy Mansion. Hefner recalls that in 1960, he had heard about a dinner with Reagan and Homer Hargrave, a friend of Hefner's who was the son of silent film star Colleen Moore. It came just after Playboy had published a favorable story about Charlie Chaplin, who was then a stalwart supporter of the Soviet Union. "Thank God for Communism," Chaplin said in 1942. "They say Communism may spread all over the world. I say, So what?"

In addition, Playboy had also published an article about the Academy Awards by screenwriter Dalton Trumbo, a member of the Communist Party from 1943 to 1948. He famously refused to answer questions from the House Un-American Activities Committee and served 10 months in prison in 1947 for refusing to testify. He rejoined the party briefly in 1954.

Starting in November 1947—in response to charges that the industry was infiltrated by subversives—the studios adopted an industry-wide policy forbidding the hiring of anyone suspected of communist sympathies. For Trumbo, the blacklist period was a financial hardship, but like many on the blacklist, he continued to write scripts under pseudonyms. And in 1960, he again began to work under his own name when Otto Preminger announced he'd hired Trumbo to write the script for "Exodus."

"When Trumbo wrote his story for us, he was just starting to come out of the shadows," remembers Hefner. Reagan and Trumbo had both been members of the liberal Hollywood Independent Citizens Committee of the Arts, Sciences and Professions (HICCASP, as Reagan called it, "pronounced like the cough of a dying man"), later revealed to be secretly supported by the Communist Party. At the dinner, Reagan told Hargrave that considering Chaplin and Trumbo's defiant attitudes about communism, he found Hefner's support for them galling. Hargrave mentioned the remark to Hefner.

"When I heard what Reagan said, I wrote to him," says Hefner. "I liked 'Kings Row' and all that, but I was also unhappy about what had happened during the blacklist era. And so I told him."

What Hefner received in response—six pages, handwritten on Reagan's personal stationery—is, perhaps, a more precise rendering of the former president's personal and ideological transformation than has ever appeared in the legion of books and articles written about him. It surfaces very briefly in Morris's book on Reagan, but until now the 1960 letter has never been published in its entirety.

JULY 4.

DEAR MR. HEFNER: I've been a long time answering your letter of May 13 and my se-

lection of—The 4th—as an answering date is coincidence plus the fact that Holidays are—free time—days around our house:

Your letter has been very much on my mind and I question whether I can answer in a way that will make sense to you. First because I once thought exactly as you think, and second because no one could have changed my thinking (and some tried). It took seven months of meeting communists and communist influenced people across a table in almost daily sessions while pickets rioted in front of studio gates, homes were bombed and a great industry almost ground to a halt.

You expressed lack of knowledge about my views, political back ground etc. Because so much doubt has been cast on "anti-communist," inspired by the radicalism of extremists who saw "Reds" under every "cause," I feel I should reveal where I have stood and now stand.

My first four votes were cast for F.D.R., my fifth for Harry Truman. Following World War II my interest in liberalism and my fear of "neo-fascism" led to my serving on the board of directors of an organization later exposed as a "Communist Front," namely the "Hollywood Independent Citizens Comm. of the Arts, Sciences & Professions"! Incidentally Mr. Trumbo was also on that board.

Now you might ask who exposed this organization as a "Front"? It was no crusading committee of Congress, the D.A.R. or the American Legion. A small group of board members disturbed by the things being done in the organization's name introduced to their fellow board members a mild statement approving our Dem. system and free enterprise economy and repudiating communism as a desirable form of govt. for this country. The suggestion was that by adopting such a policy statement the board would reassure our membership we were liberal but not a "front." The small group who introduced this measure were such "witch hunters" as James Roosevelt, Dore Schary, Don Hartman, Olivia de Havilland, Johnny Green & myself.

Leaders of the opposition to our statement included Dalton Trumbo, John Howard Lawson and a number of others who have since attained some fame for their refusal to answer questions. I remember one of their group reciting the Soviet Constitution to prove "Russia was more Democratic than the U.S." Another said if America continued her imperialist policy and as a result wound up in a war with Russia he would be on the side of Russia against the U.S. We suggested this "policy statement" was perhaps a matter for the whole organization to decide—not just the board. We were told the membership was "not politically sophisticated enough to make such a decision."

When we resigned the organization went out of existence only to reappear later (minus us) as "Independent Citizens Committee of the Arts, Sciences & Prof." in support of Henry Wallace and the Progressive Party.

The "seven months" of meetings I mentioned in the first paragraph or two refers to the jurisdictional strike in the Motion Pic. business. There are volumes of documentary evidence, testimony of former communists etc. that this whole affair was under the leadership of Harry Bridges and was aimed at an ultimate organizing of everyone in the picture business within Mr. Bridges longshoreman's union.

Now none of what I've said answers your argument that "freedom of speech means freedom to disagree," does it? Here begins my difficulty. How can I put down in less than "book form" the countless hours of meetings, the honest attempts at compromise, the trying to meet dishonesty, lies

and cheating with conduct bound by rules of fair play? How can I make you understand that my feeling now is not prejudice born of this struggle but is realization supported by incontrovertible evidence that the American Communist is in truth a member of a "Russian American Bund" owing his first allegiance to a foreign power?

I, like you, will defend the right of any American to openly practise & preach any political philosophy from monarchy to anarchy. But this is not the case with regard to the communist. He is bound by party discipline to deny he is a communist so that he can by subversion & stealth infuse on an unwilling people the rule of the International Communist Party which is in fact the govt. of Soviet Russia. I say to you that any man still or now a member of the "party" was a man who looked upon the death of American soldiers in Korea as a victory for his side. For proof of this I refer you to some of the ex-communists who fled the party at that time & for that reason, including some of Mr. Trumbo's companions of the "Unfriendly 10."

Hollywood has no blacklist, Hollywood does have a list handed to it by millions of "movie goers" who have said "we don't want and will not pay to see pictures made by or with these people we consider traitors." On this list were many names of people we in Hollywood felt were wrongly suspect. I personally served on a committee that succeeded in clearing these people. Today any person who feels he is a victim of discrimination because of his political beliefs can avail himself of machinery to solve this problem.

I must ask you as a publisher, aside from any questions of political philosophy, should a film producer be accused of bigotry for not hiring an artist when the customers for his product have labeled the artist "poor box office," regardless of the cause?

I realize I've presented my case poorly due to the limitations of pen & paper so may I ask one favor? Will you call the F.B.I. there in Chi. ask for the anti-communist detail, then tell him of our correspondence (show him my letter if you like) and ask his views on this subject of communism as a political belief or a fifth column device of Russia.

Now my apologies for having taken so long in answering your letter and my appreciation for your having taken the time to write in the first place.

Sincerely,

RONALD REAGAN.

I asked Hefner whether he took Reagan's advice. "Growing up," he answered, "FBI agents were my heroes. I saw Cagney in 'G-Men' when I was a kid. But by the '50s I had already had visits from them, and they had harassed my ex-wife. So to say that Reagan's suggestion fell on deaf ears is an understatement."

#### STANDING UP AGAINST COMMUNISM

A scene from 1946, once recounted by Reagan: The setting is the posh residence of a top star, a meeting of the HICCASP. Reagan is running late, and arrives to grab a seat next to MGM studio head Dore Schary. "Lots of people here I didn't think I'd see," he says.

"Stick around," answers Schary.

FDR's son James stands to propose adopting a statement denouncing communism and the Soviet state. "I was amazed at the reaction," remembered Reagan. One musician stands to assert that the Soviet constitution is superior to the American one. A screenwriter says he'd volunteer for Russia if war between it and the United States ever broke out. "I decided that an Irishman couldn't stay out, and took the floor and endorsed what Roosevelt said." Pandemonium. Reagan recalled one woman having a heart attack.

The meeting breaks up. Schary tells Reagan, "We're meeting up at Olivia de Havilland's apartment."

Reagan goes over to find about a dozen HICCASP members celebrating how they'd just smoked out the Communists.

Reagan is looking at de Havilland, grinning.

"What's so funny?" she asks him.

"Nothing," he says, "except I thought you were one."

She looks at him, smiling, "I thought you were one. Until tonight, that is."

#### RIVAL UNIONS

Aside from Dales, the man Reagan worked mostly closely with during his days as SAG president, it was Roy Brewer. An FDR New Dealer, Brewer had grown up in Grand Island, Neb., and at age 19, as a projectionist at the Capital Theater, ran the 1927 version of "The Jazz Singer," all 15 reels of it.

Brewer became a top labor official in Nebraska, and rose quickly to prominence in the International Alliance of Theatrical and Stage Employees (IATSE), part of the American Federation of Labor. When he arrived in Hollywood in 1945 on a mission to mediate what appeared to be a jurisdictional strike, he walked into a dispute between his IATSE members and a rival labor group, the Conference of Studio Unions, headed by Herbert Sorrell. What he also discovered was an industry that during the war had attracted a wide variety of characters—some who thought Hollywood was their ticket to fame and fortune, and a very small minority who were pushing political agendas.

Reagan was initially on the side of the strikers, but after he became convinced that the real objectives of those behind the strike were detrimental to the industry, he became a fast ally with Brewer. The two were soon confidants, and were featured together in *Fortune* magazine as two of the most influential figures in the business. By 1948, Reagan and Brewer were co-chairing the Hollywood campaign for Harry S Truman's reelection.

Reagan and Brewer believed Sorrell's group was trying to force the entire film community to accept an industry-wide union headed by Harry Bridges, leader of the International Longshore and Warehouse Union, who had attained fame from organizing the San Francisco waterfront strike of 1934. Records that have emerged since the end of the Cold War seem to support this claim, and also show that Bridges was a Communist Party member.

"Ronnie and I saw that the way things were going, it would be impossible for the studios to produce any movies at all," Brewer says today. Historians on both sides of the political spectrum now estimate there were approximately 300 party members in Hollywood during this era, and some of them have since admitted that while a concerted effort was underway to insert propaganda into films, the more important immediate goal was to seize control of the unions because they held the financial keys to all of the industry.

Reagan's increasing involvement in the affairs of the industry seemed to come at great personal cost. Threats were made against his life, and Warner's issued him a .32, which he began wearing in a shoulder holster.

A union transcript of a divisive SAG meeting late one night at the Knickerbocker Hotel during October 1946 shows Reagan aggressively confronting rival union organizer Sorrell:

"I have had to have guards for my kids because I got telephone warnings about what would happen to me because of my activities in trying to settle this strike.

"Now, smile. I don't know where the telephone calls came from. I know I took them

seriously and I have been looking over my shoulder when I go down the street. Now, I know there are people from both sides in the hospital. I know it has been a vicious and deplorable thing in our business. I have never given up for one minute trying for peace, because I believed if the two factions wanted peace, there must be a grounds upon which they can meet. . . .

"Herb, as far as I'm concerned, you have shown here tonight that you intend to welsh on your statement of two nights ago [about settling the strike], and as far as I am concerned, you do not want peace in the motion picture industry."

Those who would know Reagan later in life say these experiences shaped his presidency, and eventually the way he approached the Soviets. "That era was a major influence on him," says Edwin Meese, attorney general under Reagan. "He said it gave him a good sense of the tactics used by the Communist Party, and a sense for their methods of subversion. There's no question it was pivotal."

But it was also devastating to his marriage. In early 1948, Wyman sued him for divorce, complaining that her husband's life revolved around the union. His discussions "were far above me," and "there was nothing left to sustain our marriage."

Said Reagan: "Perhaps I should have let someone else save the whole world and saved my own home."

#### MOVING ON

By the early 1950s, with the back of the Communist Party in Hollywood now essentially broken, Reagan found that securing work for former Communists and others who were innocently caught up in the blacklist was one of the responsibilities of his volunteer job. Along with Brewer and Dales, Reagan would vouch for actors and others in the industry who publicly broke ranks with the party.

It was this role that partly accounted for his first substantive meeting with actress Nancy Davis in 1949. Of course, Reagan was an eligible bachelor, and Nancy knew it.

But she also wanted Reagan to protect her, and make sure industry leaders knew she wasn't politically controversial. "I told her director, Mervyn LeRoy, that I'd take care of it—having made the switch from Ronald Reagan, actor, regretfully to Ronald Reagan, SAG president," he once wrote. Davis herself tried to make sure that politics never jeopardized her career, and became a member of the Guild's board of directors in August 1950, a position she would keep for more than a decade. The Reagans' first real date, though, is now the stuff of legend. It began with both of them saying they needed to be home early and ended sometime after 3 a.m. In 1952, they married.

Shortly thereafter, Reagan, who had a ranch at the beach, landed his first position in public office: honorary mayor of Malibu Lake. Within hours, California car dealer Holmes Tuttle came calling, saying he and others were prepared to back Reagan for the U.S. Senate. On that occasion, Reagan turned him down.

Hollywood has remained a constant in Ronald Reagan's life since the day he arrived here in 1937. Often it appears in the most curious ways. Screenwriter and producer Douglas Morrow once tried to find Reagan a role when no one else seemed to be offering one. Years later, in 1979, Morrow, who had connections in the aerospace industry, arranged for Reagan to make a secret visit to the North American Defense Command headquarters deep in the mountains of Colorado. Seeing firsthand that the United States had no defenses against nuclear strikes moved him, and stoked his fire for a missile defense system.

When Washington conservatives were nervous about President Reagan giving away the store to the Soviets at Reykjavik, and sent Lyn Nofziger in to urge him to be cautious and remain stalwart, Reagan responded: "Don't worry. I still have the scars on my back from fighting the communists in Hollywood."

#### HOLLYWOOD'S GUIDING LIGHTS

When he came back from Washington, Reagan was approached about possibly returning to films for a special cameo, but always politely declined the overtures.

Reagan's personal office now overlooks the 20th Century Fox studios, and is in a building that has served as the site for numerous films. A parade of dignitaries from Gorbachev to Thatcher has visited him there, but Reagan always seemed to especially relish the industry people who would appear at his door.

On Tuesday, in a house high above the city, Nancy Reagan will mark her husband's 90th birthday with him, without fanfare. And perhaps, at the end of it, as the sun goes down and the lights of the City of the Angels come up, Ronald Reagan will have a fleeting glance of the town where an American president found his destiny.

Mr. MCCAIN. Mr. President, today, we celebrate the birthday of a giant, Ronald Reagan. America is indebted to President Reagan for reviving our national spirit and ensuring that we prevailed in that "long twilight struggle" against soviet totalitarianism. His leadership not only revitalized our economy, but gave us a rebirth of patriotism and national greatness.

My fellow Vietnam Prisoners of War share a special affection for Ronald Reagan. Word of his steadfastness against aggression even reached us in our cells thousands of miles away from freedom. When we were released, he befriended and supported us. He understood and appreciated the "noble cause" for which so many brave Americans made the ultimate sacrifice.

Today, America enjoys unprecedented peace and prosperity largely due to the policies of Ronald Reagan. So, to celebrate your 90th birthday, we salute you President Reagan, a brave soldier in the battle for freedom.

Mr. SMITH of New Hampshire. Mr. President, I rise today to recognize and celebrate the 90th birthday of our 40th President, Ronald Wilson Reagan.

It is ironic that today this body is debating the merits of a tax cut. Almost twenty years ago, President Reagan introduced and helped to pass the largest tax cut in our Nation's history. Nearly two decades later, we are still enjoying the economic benefits of that tax cut. Our economy has had real growth every year since 1982, with the exception of a tiny 1.2 percent dip in 1991.

Thanks to President Reagan's tax cut, we have experienced by far the longest run of economic growth in American history.

President Reagan's main reason for supporting tax relief was not to provide an economic stimulus, although that was an inevitable result. His main reason was to promote freedom. Freedom from the heavy hand of Government. Freedom to spend one's own hard earned money on whatever one wanted.

Back in our country's colonial days, the colonists would tar and feather tax collectors because they had to pay around one percent of their wages. One percent! The famous Boston Tea Party was another way that our forefathers protested a relatively small, by our modern standards, tax increase.

But by 1980, our highest tax rate was an enormous 70 percent!

President Reagan understood that such a tax rate was indefensible. It was unjust, oppressive and against everything for which our Nation stands. He supported and got a 25 percent across the board tax cut. He knew that the American people, not the American Government, knew best how to spend their own money. Pretty revolutionary thinking.

President Reagan also took office at the height of Communist expansion around the world.

The Soviet Union had just invaded Afghanistan. Southeast Asia was still experiencing the dreadful repercussions of Pol Pot. Communist insurgents were wreaking havoc all over Central America. The embryonic Solidarity movement in Poland was being brutally repressed. The voice of Democracy was being stifled around the globe. Our own armed forces were in a shambles, both in terms of morale and military readiness.

But our President did not waver. He knew that as the most visible leader of the Free World, he must stand up for freedom and democracy. And despite facing strong opposition, at home and abroad, from those who considered the dominance of the Soviet Union to be inevitable, President Reagan stood up and helped change the course of history.

It was his military buildup that showed the Soviet Union that we meant business. He knew that the Communists could not withstand an arms race. He knew that eventually the voices of freedom would drown out the nightmarish cries of Communist regimes.

He knew that our country's character, dedication, industriousness and resolve would push the Soviet Empire into the abyss. All our Nation needed was a leader. And because of his visionary leadership, the Berlin Wall came crumbling down, democracy spread across Eastern Europe and the Soviet Union collapsed. Today millions of Europeans view President Reagan as their liberator, and our economy has been further helped along because of the "peace dividend."

President Reagan was known as the "Great Communicator." Sometimes this was used as a derisive term against him, as though the only reason ordinary Americans liked and trusted him was because the former actor had somehow pulled the wool over their eyes.

Nothing could be further from the truth.

The American people saw an uncomplicated man, much like themselves,

who held the same traditional values as they did. They saw a man who personified class. They saw a man who led by example, a man who never took off his jacket in the Oval Office because he held The People's sacred trust in such high esteem. Most important of all, they saw a man who trusted them to run their own lives.

No wonder the American people love Ronald Reagan. No wonder we elected him twice by overwhelming margins. He proved to everyone, at home and abroad, that "Government is not the solution—Government is the problem." He gave us hope for the future. He gave us hope for our country. He gave us hope in ourselves.

He told us that it was "morning in America" again and that our great Nation is a "shining city on the hill."

Although President Reagan's voice has been silenced by Alzheimer's, we can still hear the echoes of freedom ringing from his writings and his presidency.

We can still pay homage to his deeds by recognizing the woman behind the man, his wife, Nancy. Mrs. Reagan, we salute you.

Today we honor the life and leadership of Ronald Wilson Reagan. Without his shining example, our country, and our world, would be a much darker place.

Happy Birthday Mr. President!

#### ONLINE ACCESS TO CONGRESSIONAL DOCUMENTS

Mr. LEAHY. Mr. President, I am pleased to join today with Senator MCCAIN to introduce a Senate resolution to provide Internet Access to important Congressional documents.

Our bipartisan resolution makes certain Congressional Research Service products, lobbyist disclosure reports and Senate gift disclosure reports available over the Internet to the American people.

The Congressional Research Service, CRS, has a well-known reputation for producing high-quality reports and information briefs that are unbiased, concise, and accurate. The taxpayers of this country, who pay \$67 million a year to fund the CRS, deserve speedy access to these public resources and have a right to see that their money is being spent well.

The goal of our legislation is to allow every citizen the same access to the wealth of CRS information as a Member of Congress enjoys today. CRS performs invaluable research and produces first-rate reports on hundreds of topics. American taxpayers have every right to direct access to these wonderful resources.

Online CRS reports will serve an important role in informing the public. Members of the public will be able to read these CRS products and receive a concise, accurate summary of the issues before the Congress. As elected representatives, we should do what we can to promote an informed, educated

public. The educated voter is best able to make decisions and petition us to do the right things here in Congress.

Our legislation follows the model online CRS program in the House of Representatives and ensures that private CRS products will remain protected by giving the CRS Director the authority to hold back any products that are deemed confidential. Moreover, the Director may protect the identity of CRS researchers and any copyrighted material. We can do both—protect confidential material and empower our citizens through electronic access to invaluable CRS products.

In addition, the bipartisan resolution would provide public online access to lobbyist reports and gift disclosure forms. At present, these public records are available in the Senate Office of Public Records in Room 232 of the Hart Building. As a practical matter, these public records are accessible only to those inside the Beltway.

I applaud the Office of Public Records for recently making technological history in the Senate by providing for lobbying registrations through the Internet. The next step is to provide the completed lobbyist disclosure reports on the Internet for all Americans to see.

The Internet offers us a unique opportunity to allow the American people to have everyday access to this public information. Our bipartisan legislation would harness the power of the Information Age to allow average citizens to see these public records of the Senate in their official form, in context and without editorial comment. All Americans should have timely access to the information that we already have voted to give them.

And all of these reports are indeed "public" for those who can afford to hire a lawyer or lobbyist or who can afford to travel to Washington to come to the Office of Public Records in the Hart Building and read them. That is not very public. That does not do very much for the average voter in Vermont or the rest of this country outside of easy reach of Washington. That does not meet the spirit in which we voted to make these materials public, when we voted "disclosure" laws.

We can do better, and this resolution does better. Any citizen in any corner of this country with access to a computer at home or the office or at the public library will be able to get on the Internet and get these important Congressional documents under our resolution. It allows individual citizens to check the facts, to make comparisons, and to make up their own minds.

I commend the Senior Senator from Arizona for his leadership on opening public access to Congressional documents. I share his desire for the American people to have electronic access to many more Congressional resources. I look forward to working with him in the days to let the information age open up the halls of Congress to all our citizens.

As Thomas Jefferson wrote, "Information is the currency of democracy." Our democracy is stronger if all citizens have equal access to at least that type of currency, and that is something which Members on both sides of the aisle can celebrate and join in.

This bipartisan resolution is an important step in informing and empowering American citizens. I urge my colleagues to join us in supporting this legislation to make available useful Congressional information to the American people.

#### NONPROLIFERATION REPORT CARD

Mr. DOMENICI. Mr. President, I rise today to discuss a recent report released by The Russia Task Force entitled "A Report Card on the Department of Energy's Nonproliferation Programs with Russia." This bipartisan Task Force was co-chaired by Lloyd Cutler and Howard Baker. The report concludes that proliferation of weapons of mass destruction or weapons-usable material is "the most urgent unmet national security threat for the United States today."

This conclusion restates similar conclusions of other reports and analyses done over the past several years. The book *Avoiding Nuclear Anarchy* published in 1996 drew a similar conclusion. A January 2000 Center for Strategic and International Study report, "Managing the Global Nuclear Materials Threat" provided a concise analysis and numerous policy recommendations of this "most devastating security threat."

The U.S. response has not been and still is not commensurate to the threat.

The Cooperative Threat Reduction programs have achieved much and contributed greatly to U.S. security. Still there is always room for innovative approaches to remaining issues and faster progress.

The Department of Energy programs—from Materials Protection, Control and Accounting to the Initiatives for Proliferation Prevention—have also enhanced U.S. security. But their work is not even close to complete, and a "clear and present danger" looms.

I have repeatedly suggested that we have a very simple choice: we can either spend money to reduce the threat or spend more money in the future to defend ourselves. I am a strong believer that threat reduction is now underfunded and is the first-best approach in this case.

The report estimated the cost at \$30 billion to be provided not only from the U.S. budget, but also by Russia and other countries. The national security benefits to U.S. citizens from securing 80,000 nuclear weapons and potential nuclear weapons would constitute the highest return on investment of any current national security program.

How do we get there? One recommendation of the report is the dire

need for a White House-level nonproliferation czar. Not just the Department of Energy and the Defense Department are involved in Russia. We have a number of federal agencies chipping away at specific, isolated aspects of the problem.

But we do not have a coherent, integrated agenda. Overlaps and shortfalls exist. But no one person—with budgetary responsibility and requisite authority—can view the spectrum and identify the gaps, remedy inter-agency turf battles and bring the necessary coordination to get the job done efficiently and quickly.

A nonproliferation czar should be given access to the President and the necessary budgetary powers. This person should be charged with formulating a cohesive strategy. This would allow us to coordinate and streamline our efforts. This person would identify which programs are ripe for more resources and which ones are already adequate to address the immediate need.

The Nunn-Lugar-Domenici legislation enacted in 1996 required that such a nonproliferation czar be put in place. Also, Section 3174 of the FY2001 Defense Authorization bill expressed again Congressional will to have one person accountable for our nonproliferation efforts. The Clinton Administration refused to adhere to the statute and repeatedly ignored other Congressional attempts to address the coordination problem. Other Commissions have also recommended this remedy in the past to no avail. I am hopeful that the national security team within the new Administration will see the merits of this recommendation and act on it soon.

The Task Force also offered several other important insights and recommendations. These included:

The threat today arises from Russia's weakened ability to secure its nuclear arsenal. Contributing factors include, delays in paying those who guard nuclear facilities, breakdown in command structures and inadequate budgets for stockpile protection.

I would go even further than that. I believe that it's the economics that drives many of the threats and areas of potential conflict that the U.S. faces with Russia today. They sell nuclear technologies to Iran not because they like the Iranians and want to snub the Americans. The Russians are also aware that Iran could present a threat should it acquire the requisite nuclear and ballistic missile capabilities. However, the Russian decision is driven by economics—not by ideology, not by historical ties, but by necessity. If we don't attempt to address the underlying economics of the situation, cooperation with Iran may continue and many other programs may eventually fail.

The President should develop a strategic plan, consulting Congress and cooperating with the Russian Federation, to secure all weapons-usable material located in Russia, and to prevent the outflow of weapons of mass destruction-related scientific expertise.

We can only move so fast as the Russians allow. We can only achieve suffi-

cient transparency and get access so long as Russia agrees. However, I believe several existing programs, such as the Plutonium Disposition Agreement, have demonstrated that a serious U.S. commitment, especially in financial terms, is exactly the appropriate incentive to get action.

Repeatedly, however, our nonproliferation programs with Russia are in a Catch-22 situation. Congress will not adequately fund them until they demonstrate success. A trickle at the tap is insufficient to persuade Russians of the seriousness of our intent. So, the U.S. programs stumble along unable to achieve the gains necessary because the Russians are reticent to play ball. And, in turn, Congress becomes even more leery of providing any funding at all in light of the meager gains. It's in our immediate national security interest to remedy this situation.

The plan should review existing programs, identifying specific goals and measurable objectives for each program, as well as providing criteria for success and an exit strategy.

It would be reasonable to propose that one plan be geared toward addressing the fundamental linkages between economic and social instability in Russia and specific proliferation threats. Without addressing the relationship of Russians' economic situation to a decaying nuclear command and control infrastructure, threats of diversion from within, rather than from outside, the weapons complex, and many other tight relationships, we will fail to prevent proliferation.

The report envisions an 8-10 year time-frame. At that point, Russia will hopefully be in a position to take over any remaining work.

In the next decade we could eliminate the greatest security challenge we currently face. Inaction will only drive up costs to defend ourselves against unknowables that we could have squelched had we had greater foresight.

I believe President Bush and his team have foresight. President Bush repeatedly mentioned the importance of these programs as an integral part of his national security strategy.

To quote our new National Security Advisor, Condoleezza Rice:

American security is threatened less by Russia's strength than by its weakness and incoherence. This suggests immediate attention to the safety and security of Moscow's nuclear forces and stockpile.

I believe this recent report reiterates this clear fact and sets forth several very important policy recommendations for tackling this challenge. I look forward to working with the new Administration to ensure that a decade from now we have protected U.S. citizens from this proliferation threat and secured a more peaceful future.

#### RETIREMENT OF THE HONORABLE BUD SHUSTER

Mr. SPECTER. Mr. President, I have sought recognition today to honor my

colleague, Congressman Bud Shuster, who retired from Congress last week after serving fifteen terms in the United States House of Representatives. I am grateful to have had the opportunity to serve with Congressman Shuster since 1981, when I first came to the United States Senate. Bud Shuster has worked tirelessly on behalf of his constituents in the 9th Congressional District of Pennsylvania, the entire state, and the nation.

During his time in office, Congressman Shuster consistently reached across party lines to work with his colleagues on the other side of the aisle to pass some of the most important public works bills in our nation's history. Over the years he built up a remarkable level of clout in Congress, affording him a great deal of success in enacting his legislative priorities.

The name Bud Shuster is synonymous with transportation, and I have worked closely with Congressman Shuster on a number of transportation challenges facing Pennsylvania and the nation, including the ISTEA and TEA-21 highway authorization bills, the effort to take the highway trust fund off-budget, and the AIR-21 airport authorization bill. As Chairman of the Committee on Transportation and Infrastructure, he brought a level of insight and tenacity into infrastructure, highways and airports that was really remarkable. Congressman Shuster's expertise in the field of transportation and public works projects was second to none, and I valued his advice and counsel on a number of issues over the years.

Few may know that Congressman Shuster graduated Phi Beta Kappa from the University of Pittsburgh, holds an MBA from Duquesne University and a Ph.D. in business from the American University. While these academic accomplishments have suited him well in his role as a legislator, they have also served him in his role as an accomplished author, penning two acclaimed novels about life in small-town Pennsylvania.

Bud Shuster's legislative skill and almost thirty years of dedicated service to his constituency will be sorely missed in Pennsylvania and in America. We will be hard pressed to replace such a distinguished public servant and I wish him the best of luck in his future.

#### IN MEMORY OF ALAN CRANSTON

Mr. HOLLINGS. Mr. President, it is an honor for me to pay tribute to my former Senate colleague Alan Cranston. With Senator Cranston's passing, we lost a gifted leader, a shrewd politician and a dedicated reformer. It seemed significant that Senator Cranston passed away on New Year's Eve 2000 because his life encompassed, literally, the 20th century. He was born the year World War I began, grew up during the Depression, covered the rise of fascism in Europe as a foreign cor-

respondent and led the fight for a nuclear arms freeze during the Cold War. He called luminaries of the age among his friends, most notably Albert Einstein. Alan Cranston arrived in the Senate shortly after I did and we served together for 24 years until his retirement in 1993. We even hit the Presidential campaign trail together, both running for the White House on the Democratic ticket in 1984.

Those of us who served with Senator Cranston will remember the tally sheets he carried around to count votes. We will also remember the talent he had for carefully preserving his own liberal ideologies while working effectively with those on the opposite end of the political spectrum. He may have offended some with his push for disarmament, but more often than not he disarmed them with his own friendly manner. Senator Cranston left an indelible mark on environmental, civil rights and global security policy. His legacies are the Global Security Institute, his accomplishments as a U.S. Senator and his dedication to the people of California. He will be missed, but a political giant like Alan Cranston will not be forgotten.

#### RURAL AMERICA NEEDS COMPETITION

Mr. JOHNSON. Mr. President, on Monday, January 22, introduced S. 142, the Rural America Needs Competition to Help Every Rancher Act, legislation to prohibit meatpackers from owning livestock prior to slaughter. My bill enjoys bipartisan support from Republican Senators CHUCK GRASSLEY of Iowa and CRAIG THOMAS of Wyoming. Senator TOM DASCHLE cosponsored my bill, as well. We believe this proposal will help restore a competitive bidding process to the cash slaughter-livestock marketplace by strengthening the Packers and Stockyards Act of 1921.

The growing, unabated trend of agribusiness consolidation and concentration—a problem really sweeping across this entire nation—is one of the prime concerns of South Dakota family farmers and ranchers. However, concern about meatpacker concentration is not new in the United States. Newspaper cartoons in the 1880s depicted companies that forced the pooling of livestock prior to any purchase agreement as counterproductive “beef trusts,” engaging in discriminatory pricing behavior. In 1917, President Woodrow Wilson directed the Federal Trade Commission (FTC) to investigate meatpackers to determine if they were leveraging too much power over the marketplace.

As a result, the FTC released a report in 1919 stating that the “Big 5” meatpackers at that time (Armour, Swift, Morris, Wilson, and Cudahy) dominated the market with “monopolistic control of the American meat industry.” The FTC also found these meatpackers owned stockyards, rail car lines, cold storage plants, and other

essential facilities for distributing food. These findings led to the Packers Consent Decree of 1920 which prohibited the Big 5 packers from engaging in retail sales of meat and forced them to divest of ownership interests in stockyards and rail lines. Subsequently, Congress enacted the Packers and Stockyards Act of 1921 which prohibited meatpackers from engaging in unfair, discriminatory, and deceptive pricing practices.

Unfortunately—veiled behind what some mistakenly describe as inevitability—the meatpacking industry is once again crusading to take free enterprise and market access away from independent livestock producers. On January 1, 2001, Tyson Foods declared its intention to acquire IBP, and the Justice Department recently accepted Tyson's assertion that the deal poses no antitrust violation. I am very disappointed with the Justice Department's decision, and believe their inaction on this matter makes it imperative for Congress to act.

I recently met with executives of Tyson and IBP to discuss the ramifications of this merger. The CEO of Tyson made a provocative promise that Tyson will not replicate its current practice of owning livestock—they now own swine and poultry—after buying IBP. Essentially, Tyson alleges they will not own cattle before slaughter. Yet, it has been reported that Tyson would only make that promise for ten years into the future, and the company has declined to comment on what purchasing practices a merged Tyson-IBP would utilize after that time.

While this may be a short-term panacea to satisfy Federal agencies and elected officials, livestock producers—particularly cattle ranchers—are in business for the long-term. Ten years can go by awful quickly in the cattle business. Moreover, I believe—as do most South Dakotans—that doing and saying are two very different things. Indeed, Lee Swenson, President of the National Farmers Union, has called upon Tyson to issue a written commitment to the Securities and Exchange Commission that Tyson won't go into the cattle owning business.

Consequently, my bill to forbid packer ownership of livestock restores healthy competition to the cash marketplace and ensures that Tyson and other vertical integrators won't engage in packer ownership. Agricultural concentration is not inevitable, it is sweeping the rural landscape because of the choices we make. Given the Justice Department's reluctance to address this merger, Congress must take some responsibility to recommend ways to strengthen our competition and anti-trust laws. I believe S. 142 is one step Congress can take.

Last year, several major farm organizations endorsed my bipartisan effort to prohibit meatpackers from owning livestock prior to slaughter. I would like to thank them for their support. These grassroots groups include the

National Farmers Union, South Dakota Farmers Union, the South Dakota Cattlemens Association, the Iowa Pork Producers Association, Illinois Farm Bureau, the Center for Rural Affairs, the Organization for Competitive Markets, and the Ranchers—Cattlemens Action Legal Fund, R-CALF.

The members of these organizations believe that packer ownership and captive supply arrangements by meatpackers result in less competition for all sellers in the market, even though producers or feeders who have these arrangements often enter into them voluntarily. As a consequence of having slaughter livestock supplies locked up through captive supplies, meatpackers do not have to bid competitively for all of their slaughter needs. This may depress the marketplace and restrict access to producers and feeders without the arrangements. Packer ownership of livestock increases the likelihood of price manipulation in the marketplace. When packers own livestock, they have the ability to push forward or hold back captive supplies in response to market price. My bipartisan legislation is one way to achieve a more competitive bidding process in the cash market.

So today, almost a century after President Teddy Roosevelt used a big stick to give livestock producers a square deal, we again face a choice between corporate takeover of agriculture and a fight for free enterprise. I proudly cast my lot with free-enterprise family farm and ranch agriculture that has served our country so well.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO HOWARD BILLIMAN, JR.

• Mr. MCCAIN. Mr. President, I rise today to pay homage to Howard Billiman, Jr., a decorated war hero, proud father and grandfather, and loyal servant of this country. It is with profound sympathy and respect that I commemorate the passing of this honorable man. He exemplified the true spirit of an American hero, humbly willing to place his loyalty to this country before his own life.

Howard will be remembered as one of the celebrated Navajo Code Talkers of World War II, a dedicated Marine of the 2nd Marine Division who answered his country's call to duty and served with distinction.

In reflection of his life, Howard's family has said that he never forgot his roots, beginning in the small town of Buell Park, Arizona. He grew up in a small town, attending schools at Ft. Defiance and Ft. Wingate, hardly known by most outsiders. Howard, at the young age of 16, voluntarily enlisted in the Marine Corps, leaving behind his family, town, and childhood. He would face trials that would change his life forever.

As one of 420 Navajos selected by the military, Howard quickly excelled, and was appointed as one of the first instructors of the Navajo Code Talkers. With other young Navajos, Howard helped to create an unbreakable code that baffled the Japanese. Military experts now estimate that these code-talking efforts shortened the war in the Pacific by at least one year—and some have even speculated that the war may have turned out differently, had it not been for their heroic deeds.

During World War II, Howard participated in every campaign of the 2nd Marine Division including the invasions of Saipan, Tinian, the Battle of Okinawa, and the occupation of Japan at Nagasaki. Howard did not seek credit nor praise, but quietly and modestly amassed a memorable record of brave acts and passionate service to his country and family. As a tribute for his valiant service, Howard received numerous awards and honors including the Marine Corps Good Conduct Medal, a Presidential Unit Citation with Star for Combat Action at Tarawa, the Navy/Marine Corps Occupation service Medal, and the Purple Heart for wounds received in combat. He was honorably discharged as a Corporal on January 18, 1946.

After returning to the Navajo reservation, Howard settled down at Buell Park and then Sawmill, where he raised 10 children with his spouse, Mary Louise. He later became a proud grandfather of 42 grandchildren.

In later years, as a member of the Navajo Code-Talkers Association, Howard received several more awards during travels with the group to Philadelphia and Washington, D.C. He was the last surviving original Navajo Code Instructor.

Until recently, the American public was not aware of the tremendous sacrifice and contribution of Howard and other Code Talkers. Without the Navajo Code Talkers, one can only imagine what tragedies might have occurred at that pivotal time in history. As Americans, we owe a debt of gratitude to the sacrifices of selfless patriots like Howard whose noble service teaches us valuable lessons of duty and honor.

Howard Billiman, Jr. will be missed by his family and friends, but his remarkable courage and patriotism will be long remembered by his country.●

##### TRIBUTE TO CAROL DIBATISTE

• Ms. LANDRIEU. Mr. President, It is an honor to take this opportunity to recognize Carol DiBattiste, under Secretary of the Air Force, who departed office last month. During her tenure, Under Secretary DiBattiste served with honor and distinction, providing exceptional leadership, and ensuring a promising future for the Department of Defense, the Air Force, and for American aerospace power.

Under Secretary DiBattiste earned a respected reputation for her energy and enthusiasm, focused directly on im-

proving quality of life for Air Force members and their families. She quickly became the Air Force's key leader in the fight against retention shortages and recruiting shortfalls; her successes in these endeavors are both impressive and renowned.

Because of her immense talent and dedication, Under Secretary DiBattiste was selected to lead a special Department of Defense task force to formulate anti-harassment policy—an emotionally and politically charged subject. She delivered, as always, a brilliant solution, and then returned her sharp focus back to her visionary and aggressive campaign against recruiting shortfalls. The Air Force met its goals in recruiting last year mainly because of her visionary solutions to create an Air Force Recruiting and Retention Task Force, an Air Force Marketing and Advertising Office, and a Strategic Communications Outreach Program. Under Secretary DiBattiste is a leader we respect because she leads by example. In a short, 12-month stretch of time, she delivered almost 100 speeches; and she traveled to over 85 bases and locations throughout the world during her tenure.

Carol DiBattiste has set a high standard of leadership, commitment, energy, and service to country. I know my colleagues in Congress and our grateful nation join me in thanking her for her dedication and distinguished service to our country; and we wish her continued success in the future.●

##### TRIBUTE TO WHITTEN PETERS

• Ms. LANDRIEU. Mr. President, I want to take a few minutes to recognize the contributions of a patriot, a leader, and a good friend of this institution who has departed government service to return to life as a private citizen.

During his four-year tenure as Under Secretary, Acting Secretary, and Secretary of the Air Force, F. Whitten Peters has lead his Service to new heights of achievement, and the world is better for it. At a time when the global security environment became less predictable with each passing day, Whit Peters understood the need for the Air Force to become more responsive, more versatile, and more powerful—all at the same time. With boundless energy and enthusiasm, he set out help the United States Air Force do those things and more.

As the leading architect of aerospace power, Whit Peters drove a fundamental re-examination of the relationship between air, space, and information systems. As a result, the Cold War Air Force he inherited is well on its way to becoming a modern, integrated aerospace force, designed to meet the challenges of a new millennium.

During Secretary Peters' tenure, in the troubled skies over Serbia, a war was won for the first time with aerospace power alone—and we did it without losing a single American to enemy



action. Today, despots and dictators hesitate to act because they know America's Air Force can bring power to bear at the point of decision in a matter of minutes or hours. And, millions of people, the world over, live better lives because of the humanitarian missions undertaken by our United States Air Force in the last four years.

While busy guiding the evolution of the Air Force's operational capabilities, Secretary Peters also directed significant improvements in acquisition, logistics, and sustainment programs to ensure the best possible use of defense resources. He presided over the development of the Evolved Expendable Launch Vehicle—a revolutionary pairing of Russian propulsion technology with the best US commercial space-launch capabilities—which will drastically lower the cost of placing commercial and defense payloads in earth orbit. He led the consolidation of five Air Force aircraft depots into three, reducing depot over-capacity by 40 percent and saving the taxpayers over \$377 million a year. And, he arrested a 10-year drop in aircraft readiness rates by putting two billion dollars worth of additional spares on the shelf where they will be useful to aircraft maintainers.

Most important, Whit Peters took care of his people. As every member of this body knows, he fought hard for improved pay, housing, and medical benefits for every member of America's Air Force. He fought for better re-enlistment bonuses for people in hard-to-fill skills such as air traffic control, computer network administration, and over a hundred others. He pushed relentlessly for better child-care facilities to meet the demands of working families, and today 95 percent of all Air Force child care centers meet federal accreditation standards, compared to just 10 percent of child care facilities nation-wide.

No wonder the enlisted men and women of the Air Force honored him with their most prestigious recognition: induction into the Air Force Order of the Sword. In the 53-year history of America's youngest service, no other Air Force Secretary has ever been so honored. Nor has any service secretary been so respected by the men and women he leads.

Like the men and women of the Total Air Force—the Air National Guard, the Air Force Reserve, and the Regular Air Force—we hate to see Whit Peters go, and I know my colleagues will join me in wishing him the fondest of farewells. He is a rare leader and an even rarer person in this town: a true gentleman who cares more about others than himself. As the Air Force slogan says, "No one comes close."●

#### MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Ms. Evans, one of his secretaries.

#### EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Governmental Affairs.

(The nomination received today is printed at the end of the Senate proceedings.)

#### REPORT ON THE OPERATION OF THE ANDEAN TRADE PREFERENCE ACT—MESSAGE FROM THE PRESIDENT—PM 3

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

*To the Congress of the United States:*

As required by section 203(f) of the Andean Trade Preference Act (ATPA) of 1991, as amended (19 U.S.C. 3201 et seq.), I transmit herewith the third report to the Congress on the Operation of the Andean Trade Preference Act.

GEORGE W. BUSH.

THE WHITE HOUSE, February 5, 2001.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read the second time and placed on the calendar:

S. 235. A bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes.

#### 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. SMITH of New Hampshire:

S. 245. A bill to make permanent the moratorium on the Federal imposition of taxes on the Internet; to the Committee on Commerce, Science, and Transportation.

By Mr. SMITH of New Hampshire:

S. 246. A bill to extend the moratorium on the imposition of taxes on the Internet for an additional 5 years; to the Committee on Commerce, Science, and Transportation.

By Mr. HARKIN (for himself, Mr. CHAFEE, Mr. GRAHAM, Mr. BINGAMAN, and Mr. JOHNSON):

S. 247. A bill to provide for the protection of children from tobacco; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HELMS (for himself, Mr. BIDEN, and Mr. WARNER):

S. 248. A bill to amend the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, to adjust a condition on the payment of arrearages to the United Nations that sets the maximum share of any United Nations peacekeeping operation's budget that may be assessed of any country; to the Committee on Foreign Relations.

By Mr. REID:

S. 249. A bill to amend the Internal Revenue Code of 1986 to expand the credit for electricity produced from certain renewable resources; to the Committee on Finance.

By Mr. BIDEN (for himself, Mrs. HUTCHISON, Mr. LOTT, Mr. DASCHLE, Mr. KERRY, Mr. BAUCUS, Mrs. BOXER, Mr. BREAUX, Mr. BURNS, Mr. BYRD, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. COCHRAN, Ms. COLLINS, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. HELMS, Mr. HOLLINGS, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KOHL, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mrs. MURRAY, Mr. REID, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE):

S. 250. A bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes; to the Committee on Finance.

By Mr. HUTCHINSON (for himself, Mr. HAGEL, Mr. DEWINE, and Mr. SMITH of New Hampshire):

S. 251. A bill to require the Food and Drug Administration to establish restrictions regarding the qualifications of physicians to prescribe the abortion drug commonly known as RU-486; to the Committee on Health, Education, Labor, and Pensions.

By Mr. VOINOVICH:

S. 252. A bill to amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds, and for other purposes; to the Committee on Environment and Public Works.

By Ms. COLLINS (for herself, Mr. CONRAD, Mr. GREGG, Mr. BURNS, Mr. HUTCHINSON, Mr. ENZI, Mr. ROBERTS, Mr. ALLARD, Mr. HAGEL, Mr. DORGAN, Mr. THOMAS, and Mr. JOHNSON):

S. 253. A bill to reauthorize the Rural Education Initiative in subpart 2 of part J of title X of the Elementary and Secondary Education Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WYDEN (for himself and Mr. SMITH of Oregon):

S. 254. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. SNOWE (for herself, Mrs. MURRAY, and Mr. JOHNSON):

S. 255. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 256. A bill to amend the Civil Rights Act of 1964 to protect breastfeeding by new mothers; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 257. A bill to permit individuals to continue health plan coverage of services while participating in approved clinical studies; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE (for herself and Mrs. LINCOLN):

S. 258. A bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of annual screening pap smear and screening pelvic exams; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mrs. MURRAY):



S. 259. A bill to authorize funding the Department of Energy to enhance its mission areas through Technology Transfer and Partnerships for fiscal years 2002 through 2006, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. LANDRIEU (for herself and Mr. DODD):

S. 260. A bill to authorize the President to provide international disaster assistance for the construction or reconstruction of permanent single family housing for those who are homeless as a result of the effects of the earthquake in El Salvador on January 13, 2001; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 261. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decisionmaking at the National Cancer Institute; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CLELAND (for himself and Ms. LANDRIEU):

S. 262. A bill to provide for teaching excellence in America's classrooms and homes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE (for herself and Mr. TORRICELLI):

S. 263. A bill to amend title 5, United States Code, to ensure that coverage of bone mass measurements is provided under the health benefits program for Federal employees; to the Committee on Governmental Affairs.

By Ms. SNOWE (for herself and Mr. TORRICELLI):

S. 264. A bill to amend title XVIII of the Social Security Act to expand coverage of bone mass measurements under part B of the medicare program to all individuals at clinical risk for osteoporosis; to the Committee on Governmental Affairs.

By Mr. FITZGERALD (for himself, Mr. BAYH, Mr. BROWNBACK, Mr. KOHL, and Mr. DURBIN):

S. 265. A bill to prohibit the use of, and provide for remediation of water contaminated by, methyl tertiary butyl ether; to the Committee on Environment and Public Works.

By Mr. SMITH of Oregon (for himself and Mr. WYDEN):

S. 266. A bill regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon; to the Committee on Indian Affairs.

By Mr. AKAKA (for himself, Mr. REID, Mr. LEVIN, Mr. SCHUMER, Mr. GRAHAM, Mr. GREGG, Mr. TORRICELLI, Mrs. BOXER, and Mr. SMITH of New Hampshire):

S. 267. A bill to amend the Packers and Stockyards Act of 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. LINCOLN (for herself, Mr. LUGAR, Mr. BREAUX, Mr. KYL, Ms. LANDRIEU, Mr. COCHRAN, and Mr. BAYH):

S. 268. A bill to amend the Internal Revenue Code of 1986 to allow nonrefundable personal credits, the standard deduction, and personal exemptions in computing alternative minimum tax liability, to increase the amount of the individual exemption from such tax, and for other purposes; to the Committee on Finance.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. BROWNBACK (for himself and Mr. TORRICELLI):

S. Res. 17. A resolution congratulating President Chandrika Bandaranaike Kumaratunga and the people of the Democratic Socialist Republic of Sri Lanka on the celebration of 53 years of independence; to the Committee on Foreign Relations.

By Ms. LANDRIEU (for herself and Mr. DODD):

S. Res. 18. A resolution expressing sympathy for the victims of the devastating earthquake that struck El Salvador on January 13, 2001; to the Committee on Foreign Relations.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN (for himself, Mr. L. CHAFEE, Mr. GRAHAM, Mr. BINGAMAN, and Mr. JOHNSON):

S. 247. A bill to provide for the protection of children from tobacco; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, just under 3 years ago, on March 31, 1998, Senators HARKIN, John Chafee and GRAHAM teamed up to introduce the first comprehensive bipartisan legislation to reduce teen smoking. Today, I am pleased to announce that Senators HARKIN, LINCOLN CHAFEE and GRAHAM are teaming up again with the same goal. We are re-introducing the first bipartisan Senate bill to restore the Food and Drug Administration's authority to protect our kids from tobacco.

We hope the introduction of this bill is the beginning of a bipartisan push to get this type of common sense legislation passed. The need is clear. As Supreme Court Justice Sandra Day O'Connor recognized, tobacco use among children and adolescents is probably the single most significant threat to public health in the United States. Study after study has shown how the tobacco industry continues to successfully target our children. In a survey done by the Campaign for Tobacco Free Kids, seventy-three percent of teens reported seeing tobacco advertising in the previous two weeks, compared to only 33 percent of adults. And 77 percent of teens say it is easy for kids to buy cigarettes.

This is why every day another 3000 kids in this country become regular smokers. And that is why cigarette smoking among high school seniors is at a 19-year high.

There is no question. Nicotine is an addictive product and cigarettes kill. Even the tobacco companies are starting to admit it. In fact, Big Tobacco has known this for so long, they deliberately manipulate the nicotine in cigarettes to get more people addicted.

The FDA regulations, struck down by the Supreme Court last year, were about stopping kids from smoking.

These regulations were an investment in the future of our kids. They also provided consumers with critical protections against false advertising and health claims by tobacco manufacturers.

Tobacco companies are making harm reduction claims about new products with no real independent examination or oversight. This deceptive, self-interested behavior is not part of a new pattern. The history of tobacco companies is rife with examples of deceptive practices designed to addict both adults and children with their harmful products. Our bill will ensure that this type of behavior is stopped.

Our legislation re-affirms the FDA's authority over tobacco products. It classifies nicotine as a drug and tobacco products as drug delivery devices. It allows FDA to implement a "public health" standard in its review and regulation of tobacco products. Companies will be prevented from making claims of reduced risk unless they can show scientific evidence their product is actually safer.

By codifying FDA's regulation of 1996, our legislation also allows for continuation of the critically important youth ID checks. It provides needed youth access restrictions such as requiring tobacco products to be kept behind store counters and ban vending machines. It also includes sensible advertising limits to reduce teen access to tobacco.

I urge my colleagues to join us in supporting this legislation. I hope we can work with Senators on both sides of the aisle to move this important issue forward.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 247

*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 "Kids Deserve Freedom from Tobacco Act of 2001" or the "KIDS Act".

### TITLE I—PROTECTION OF CHILDREN FROM TOBACCO

#### Subtitle A—Food and Drug Administration Jurisdiction and General Authority

##### SEC. 101. REFERENCE.

Whenever in this title 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 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

##### SEC. 102. STATEMENT OF GENERAL AUTHORITY.

The regulations promulgated by the Secretary of Health and Human Services in the rule dated August 28, 1996 (Vol. 61, No. 168 C.F.R.), adding part 897 to title 21, Code of Federal Regulations, shall be deemed to have been lawfully promulgated under the Food, Drug, and Cosmetic Act as amended by this title. Such regulations shall apply to all tobacco products.

**SEC. 103. NONAPPLICABILITY TO OTHER DRUGS OR DEVICES.**

Nothing in this title, or an amendment made by this title, shall be construed to affect the regulation of drugs and devices that are not tobacco products by the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act.

**SEC. 104. CONFORMING AMENDMENTS TO CONFIRM JURISDICTION.****(a) DEFINITIONS.—**

(1) **DRUG.**—Section 201(g)(1) (21 U.S.C. 321(g)(1)) is amended by striking “; and (D)” and inserting “; (D) nicotine in tobacco products; and (E)”.

(2) **DEVICES.**—Section 201(h) (21 U.S.C. 321(h)) is amended by adding at the end the following: “Such term includes a tobacco product.”.

(3) **OTHER DEFINITIONS.**—Section 201 (21 U.S.C. 321) is amended by adding at the end the following:

“(kk) The term ‘tobacco product’ means any product made or derived from tobacco that is intended for human consumption.”.

(b) **PROHIBITED ACTS.**—Section 301 (21 U.S.C. 331) is amended by adding at the end the following:

“(aa) The manufacture, labeling, distribution, advertising and sale of any adulterated or misbranded tobacco product in violation of—

“(1) regulations issued under this Act; or  
“(2) the KIDS Act, or regulations issued under such Act.”.

**(c) ADULTERATED DRUGS AND DEVICES.—**

(1) **IN GENERAL.**—Section 501 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351) is amended by adding at the end the following:

“(j) If it is a tobacco product and it does not comply with the provisions of subchapter D of this chapter or the KIDS Act.”.

(2) **MISBRANDING.**—Section 502(q) (21 U.S.C. 352(q)) is amended—

(A) by striking “or (2)” and inserting “(2)”;

and  
(B) by inserting before the period the following: “, or (3) in the case of a tobacco product, it is sold, distributed, advertised, labeled, or used in violation of this Act or the KIDS Act, or regulations prescribed under such Acts”.

(d) **RESTRICTED DEVICE.**—Section 520(e) (21 U.S.C. 360j(e)) is amended—

(1) in paragraph (1), by striking “or use—” and inserting “or use, including restrictions on the access to, and the advertising and promotion of, tobacco products—”; and

(2) by adding at the end the following:

“(3) Tobacco products are a restricted device under this paragraph.”.

(e) **REGULATORY AUTHORITY.**—Section 503(g) (21 U.S.C. 353(g)) is amended by adding at the end the following:

“(5) The Secretary may regulate any tobacco product as a drug, device, or both, and may designate the office of the Administration that shall be responsible for regulating such products.”.

**SEC. 105. GENERAL RULE.**

Section 513(a)(1)(B) (21 U.S.C. 360c(a)(1)(B)) is amended by adding at the end the following: “The sale of tobacco products to adults that comply with performance standards established for these products under section 514 and other provisions of this Act and any regulations prescribed under this Act shall not be prohibited by the Secretary, notwithstanding sections 502(j), 516, and 518.”.

**SEC. 106. SAFETY AND EFFICACY STANDARD AND RECALL AUTHORITY.**

(a) **SAFETY AND EFFICACY STANDARD.**—Section 513(a) (21 U.S.C. 360c(a)) is amended—

(1) in paragraph (1)(B), by inserting after the first sentence the following: “For a de-

vice which is a tobacco product, the assurance in the previous sentence need not be found if the Secretary finds that special controls achieve the best public health result.”; and

(2) in paragraph (2)—

(A) by redesignating subparagraphs (A), (B) and (C) as clauses (i), (ii) and (iii), respectively;

(B) by striking “(2) For” and inserting “(2)(A) For”; and

(C) by adding at the end the following:

“(B) For purposes of paragraph (1)(B), subsections (c)(2)(C), (d)(2)(B), (e)(2)(A), (f)(3)(B)(i), and (f)(3)(C)(i), and sections 514, 519(a), 520(e), and 520(f), the safety and effectiveness of a device that is a tobacco product need not be found if the Secretary finds that the action to be taken under any such provision would achieve the best public health result. The finding as to whether the best public health result has been achieved shall be determined with respect to the risks and benefits to the population as a whole, including users and non-users of the tobacco product, and taking into account—

“(i) the increased or decreased likelihood that existing consumers of tobacco products will stop using such products; and

“(ii) the increased or decreased likelihood that those who do not use tobacco products will start using such products.”.

(b) **RECALL AUTHORITY.**—Section 518(e)(1) (21 U.S.C. 360h(e)(1)) is amended by inserting after “adverse health consequences or death,” the following: “and for tobacco products that the best public health result would be achieved.”.

**Subtitle B—Regulation of Tobacco Products****SEC. 111. PERFORMANCE STANDARDS.**

Section 514(a) (21 U.S.C. 60d(a)) is amended—

(1) in paragraph (2), by striking “device” and inserting “nontobacco product device”; and

(2) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (2) the following:

“(3) The Secretary may adopt a performance standard under section 514(a)(2) for a tobacco product regardless of whether the product has been classified under section 513. Such standard may—

“(A) include provisions to achieve the best public health result;

“(B) where necessary to achieve the best public health result, include—

“(i) provisions respecting the construction, components, constituents, ingredients, and properties of the tobacco product device, including the reduction or elimination (or both) of nicotine and the other components, ingredients, and constituents of the tobacco product, its components and its by-products, based upon the best available technology;

“(ii) provisions for the testing (on a sample basis or, if necessary, on an individual basis) of the tobacco product device or, if it is determined that no other more practicable means are available to the Secretary to assure the conformity of the tobacco product device to such standard, provisions for the testing (on a sample basis or, if necessary, on an individual basis) by the Secretary or by another person at the direction of the Secretary;

“(iii) provisions for the measurement of the performance characteristics of the tobacco product device;

“(iv) provisions requiring that the results of each test or of certain tests of the tobacco product device required to be made under clause (ii) demonstrate that the tobacco product device is in conformity with the portions of the standard for which the test or tests were required; and

“(v) a provision that the sale and distribution of the tobacco product device be re-

stricted but only to the extent that the sale and distribution of a tobacco product device may otherwise be restricted under this Act; and

“(C) where appropriate, require the use and prescribe the form and content of labeling for the use of the tobacco product device.

“(4) Not later than 1 year after the date of enactment of the KIDS Act, the Secretary (acting through the Commissioner of Food and Drugs) shall establish a Scientific Advisory Committee to evaluate whether a level or range of levels exists at which nicotine yields do not produce drug-dependence. The Advisory Committee shall also review any other safety, dependence or health issue assigned to it by the Secretary. The Secretary need not promulgate regulations to establish the Committee.”.

**SEC. 112. APPLICATION OF FEDERAL FOOD, DRUG, AND COSMETIC ACT TO TOBACCO PRODUCTS.**

(a) **TOBACCO PRODUCTS REGULATION.**—Chapter V (21 U.S.C. 351 et seq.) is amended by adding at the end the following:

“SUBCHAPTER F—TOBACCO PRODUCT DEVELOPMENT, MANUFACTURING, AND ACCESS RESTRICTIONS

**“SEC. 570. PROMULGATION OF REGULATIONS.**

“Any regulations necessary to implement this subchapter shall be promulgated not later than 12 months after the date of enactment of this subchapter using notice and comment rulemaking (in accordance with chapter 5 of title 5, United States Code). Such regulations may be revised thereafter as determined necessary by the Secretary.

**“SEC. 571. MAIL-ORDER SALES.**

“(a) **IN GENERAL.**—Not later than 2 years after the date of enactment of this subchapter, the Secretary shall review and determine whether persons under the age of 18 years are obtaining tobacco products by means of the mail.

“(b) **RESTRICTIONS.**—Based solely upon the review conducted under subsection (a), the Secretary may take regulatory and administrative action to restrict or eliminate mail order sales of tobacco products.

**“SEC. 572. IMPLEMENTATION OF THE PROPOSED RESOLUTION.**

“(a) **ADDITIONAL RESTRICTIONS ON MARKETING, ADVERTISING, AND ACCESS.**—Not later than 18 months after the date of the enactment of this subchapter, the Secretary shall revise the regulations related to tobacco products promulgated by the Secretary on August 28, 1996 (61 Fed. Reg. 44396) to include the additional restrictions on marketing, advertising, and access described in Title IA and Title IC of the Proposed Resolution entered into by the tobacco manufacturers and the State attorneys general on June 20, 1997, except that the Secretary shall not include an additional restriction on marketing or advertising in such regulations if its inclusion would violate the First Amendment to the Constitution.

“(b) **WARNINGS.**—Not later than 18 months after the date of the enactment of this subchapter, the Secretary shall promulgate regulations to require warnings on cigarette and smokeless tobacco labeling and advertisements. The content, format, and rotation of warnings shall conform to the specifications described in Title IB of the Proposed Resolution entered into by the tobacco manufacturers and the State attorneys general on June 20, 1997.

**“(c) RULES OF CONSTRUCTION.—**

“(1) **IN GENERAL.**—Nothing in this section shall be construed to limit the ability of the Secretary to change the text or layout of any of the warning statements, or any of the labeling provisions, under the regulations promulgated under subsection (b) and other provisions of this Act, if determined necessary by the Secretary in order to make

such statements or labels larger, more prominent, more conspicuous, or more effective.

“(2) UNFAIR ACTS.—Nothing in this section (other than the requirements of subsections (a) and (b)) shall be construed to limit or restrict the authority of the Federal Trade Commission with respect to unfair or deceptive acts or practices in the advertising of tobacco products.

“(d) LIMITED PREEMPTION.—

“(1) STATE AND LOCAL ACTION.—No warning label with respect to tobacco products, or any other tobacco product for which warning labels have been required under this section, other than the warning labels required under this Act, shall be required by any State or local statute or regulation to be included on any package of a tobacco product.

“(2) EFFECT ON LIABILITY LAW.—Nothing in this section shall relieve any person from liability at common law or under State statutory law to any other person.

“(e) VIOLATION OF SECTION.—Any tobacco product that is in violation of this section shall be deemed to be misbranded.

**“SEC. 573. GENERAL RESPONSIBILITIES OF MANUFACTURERS, DISTRIBUTORS AND RETAILERS.**

“Each manufacturer, distributor, and retailer shall ensure that the tobacco products it manufactures, labels, advertises, packages, distributes, sells, or otherwise holds for sale comply with all applicable requirements of this Act.

**“SEC. 574. DISCLOSURE AND REPORTING OF TOBACCO AND NONTOBACCO INGREDIENTS AND CONSTITUENTS.**

“(a) DISCLOSURE OF ALL INGREDIENTS.—

“(1) IMMEDIATE AND ANNUAL DISCLOSURE.—Not later than 30 days after the date of enactment of this subchapter, and annually thereafter, each manufacturer of a tobacco product shall submit to the Secretary an ingredient list for each brand of tobacco product it manufactures that contains the information described in paragraph (2).

“(2) REQUIREMENTS.—The list described in paragraph (1) shall, with respect to each brand or variety of tobacco product of a manufacturer, include—

“(A) a list of all ingredients, constituents, substances, and compounds that are found in or added to the tobacco or tobacco product (including the paper, filter, or packaging of the product if applicable) in the manufacture of the tobacco product, for each brand or variety of tobacco product so manufactured, including, if determined necessary by the Secretary, any material added to the tobacco used in the product prior to harvesting;

“(B) the quantity of the ingredients, constituents, substances, and compounds that are listed under subparagraph (A) in each brand or variety of tobacco product;

“(C) the nicotine content of the product, measured in milligrams of nicotine;

“(D) for each brand or variety of cigarettes—

“(i) the filter ventilation percentage (the level of air dilution in the cigarette as provided by the ventilation holes in the filter, described as a percentage);

“(ii) the pH level of the smoke of the cigarette; and

“(iii) the tar, unionized (free) nicotine, and carbon monoxide delivery level and any other smoking conditions established by the Secretary, reported in milligrams of tar, nicotine, and carbon monoxide per cigarette;

“(E) for each brand or variety of smokeless tobacco products—

“(i) the pH level of the tobacco;

“(ii) the moisture content of the tobacco expressed as a percentage of the weight of the tobacco; and

“(iii) the nicotine content—

“(I) for each gram of the product, measured in milligrams of nicotine;

“(II) expressed as a percentage of the dry weight of the tobacco; and

“(III) with respect to unionized (free) nicotine, expressed as a percentage per gram of the tobacco and expressed in milligrams per gram of the tobacco; and

“(F) any other information determined appropriate by the Secretary.

“(3) METHODS.—The Secretary shall have the authority to promulgate regulations to establish the methods to be used by manufacturers in making the determinations required under paragraph (2).

“(4) OTHER TOBACCO PRODUCTS.—The Secretary shall prescribe such regulations as may be necessary to establish information disclosure procedures for other tobacco products.

“(b) SAFETY ASSESSMENTS.—

“(1) APPLICATION TO NEW INGREDIENTS.—

“(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subchapter, and annually thereafter, each manufacturer shall submit to the Secretary a safety assessment for each new ingredient, constituent, substance, or compound that such manufacturer desires to make a part of a tobacco product. Such new ingredient, constituent, substance, or compound shall not be included in a tobacco product prior to approval by the Secretary of such a safety assessment.

“(B) METHOD OF FILING.—A safety assessment submitted under subparagraph (A) shall be signed by an officer of the manufacturer who is acting on behalf of the manufacturer and who has the authority to bind the manufacturer, and contain a statement that ensures that the information contained in the assessment is true, complete and accurate.

“(C) DEFINITION OF NEW INGREDIENT.—For purposes of subparagraph (A), the term ‘new ingredient, constituent, substance, or compound’ means an ingredient, constituent, substance, or compound listed under subsection (a)(1) that was not used in the brand or variety of tobacco product involved prior to January 1, 1998.

“(2) APPLICATION TO OTHER INGREDIENTS.—With respect to the application of this section to ingredients, constituents substances, or compounds listed under subsection (a) to which paragraph (1) does not apply, all such ingredients, constituents, substances, or compounds shall be reviewed through the safety assessment process within the 5-year period beginning on the date of enactment of this subchapter. The Secretary shall develop a procedure for the submission of safety assessments of such ingredients, constituents, substances, or compounds that staggers such safety assessments within the 5-year period.

“(3) BASIS OF ASSESSMENT.—The safety assessment of an ingredient, constituent, substance, or compound described in paragraphs (1) and (2) shall—

“(A) be based on the best scientific evidence available at the time of the submission of the assessment; and

“(B) demonstrate that there is a reasonable certainty among experts qualified by scientific training and experience who are consulted, that the ingredient, constituent, substance, or compound will not present any risk to consumers or the public in the quantities used under the intended conditions of use.

“(c) PROHIBITION.—

“(1) REGULATIONS.—Not later than 12 months after the date of enactment of this subchapter, the Secretary shall promulgate regulations to prohibit the use of any ingredient, constituent, substance, or compound in the tobacco product of a manufacturer—

“(A) if no safety assessment has been submitted by the manufacturer for the ingredient, constituent, substance, or compound as otherwise required under this section; or

“(B) if the Secretary finds that the manufacturer has failed to demonstrate the safety of the ingredient, constituent, substance, or compound that was the subject of the assessment under paragraph (2).

“(2) REVIEW OF ASSESSMENTS.—

“(A) GENERAL REVIEW.—Not later than 180 days after the receipt of a safety assessment under subsection (b), the Secretary shall review the findings contained in such assessment and approve or disapprove of the safety of the ingredient, constituent, substance, or compound that was the subject of the assessment. The Secretary may, for good cause, extend the period for such review. The Secretary shall provide notice to the manufacturer of an action under this subparagraph.

“(B) INACTION BY SECRETARY.—If the Secretary fails to act with respect to an assessment of an existing ingredient, constituent, substance, or additive during the period referred to in subparagraph (A), the manufacturer of the tobacco product involved may continue to use the ingredient, constituent, substance, or compound involved until such time as the Secretary makes a determination with respect to the assessment.

“(d) RIGHT TO KNOW; FULL DISCLOSURE OF INGREDIENTS TO THE PUBLIC.—

“(1) IN GENERAL.—Except as provided in paragraph (3), a package of a tobacco product shall disclose all ingredients, constituents, substances, or compounds contained in the product in accordance with regulations promulgated under section 701(a) by the Secretary.

“(2) DISCLOSURE OF PERCENTAGE OF DOMESTIC AND FOREIGN TOBACCO.—The regulations referred to in paragraph (1) shall require that the package of a tobacco product disclose, with respect to the tobacco contained in the product—

“(A) the percentage that is domestic tobacco; and

“(B) the percentage that is foreign tobacco.

“(3) HEALTH DISCLOSURE.—Notwithstanding section 301(j), the Secretary may require the public disclosure of any ingredient, constituent, substance, or compound contained in a tobacco product that relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, if the Secretary determines that such disclosure will promote the public health.

**“SEC. 575. REDUCED RISK PRODUCTS.**

“(a) PROHIBITION.—

“(1) IN GENERAL.—No manufacturer, distributor or retailer of tobacco products may make any direct or implied statement in advertising or on a product package that could reasonably be interpreted to state or imply a reduced health risk associated with a tobacco product unless the manufacturer demonstrates to the Secretary, in such form as the Secretary may require, that based on the best available scientific evidence the product significantly reduces the overall health risk to the public when compared to other tobacco products.

“(2) SUBMISSION TO SECRETARY.—Prior to making any statement described in paragraph (1), a manufacturer, distributor or retailer shall submit such statement to the Secretary, who shall review such statement to ensure its accuracy and, in the case of advertising, to prevent such statement from increasing, or preventing the contraction of, the size of the overall market for tobacco products.

“(b) DETERMINATION BY SECRETARY.—If the Secretary determines that a statement described in subsection (a)(2) is permissible because the tobacco product does present a significantly reduced overall health risk to the public, the Secretary may permit such statement to be made.

“(c) DEVELOPMENT OR ACQUISITION OF REDUCED RISK TECHNOLOGY.—

“(1) IN GENERAL.—Any manufacturer that develops or acquires any technology that the manufacturer reasonably believes will reduce the risk from tobacco products shall notify the Secretary of the development or acquisition of the technology. Such notice shall be in such form and within such time as the Secretary shall require.

“(2) CONFIDENTIALITY.—With respect to any technology described in paragraph (1) that is in the early stages of development (as determined by the Secretary), the Secretary shall establish protections to ensure the confidentiality of any proprietary information submitted to the Secretary under this subsection during such development.

“SEC. 576. ACCESS TO COMPANY INFORMATION.

“(a) COMPLIANCE PROCEDURES.—Each manufacturer of tobacco products shall establish procedures to ensure compliance with this Act.

“(b) REQUIREMENT.—In addition to any other disclosure obligations under this Act, the KIDS Act, or any other law, each manufacturer of tobacco products shall, not later than 90 days after the date of the enactment of the KIDS Act and thereafter as required by the Secretary, disclose to the Secretary all nonpublic information and research in its possession or control relating to the addiction or dependency, or the health or safety of tobacco products, including (without limitation) all research relating to processes to make tobacco products less hazardous to consumers and the research and documents described in subsection (c).

“(c) RESEARCH AND DOCUMENTS.—The documents described in this section include any documents concerning tobacco product research relating to—

“(1) nicotine, including—

“(A) the interaction between nicotine and other components in tobacco products including ingredients in the tobacco and smoke components;

“(B) the role of nicotine in product design and manufacture, including product charters, and parameters in product development, the tobacco blend, filter technology, and paper;

“(C) the role of nicotine in tobacco leaf purchasing;

“(D) reverse engineering activities involving nicotine (such as analyzing the products of other companies);

“(E) an analysis of nicotine delivery; and

“(F) the biology, psychopharmacology and any other health effects of nicotine;

“(2) other ingredients, including—

“(A) the identification of ingredients in tobacco products and constituents in smoke, including additives used in product components such as paper, filter, and wrapper;

“(B) any research on the health effects of ingredients; and

“(C) any research or other information explaining what happens to ingredients when they are heated and burned;

“(3) less hazardous or safer products, including any research or product development information on activities involving reduced risk, less hazardous, low-tar or reduced-tar, low-nicotine or reduced-nicotine or nicotine-free products; and

“(4) tobacco product advertising, marketing and promotion, including—

“(A) documents related to the design of advertising campaigns, including the desired

demographics for individual products on the market or being tested;

“(B) documents concerning the age of initiation of tobacco use, general tobacco use behavior, beginning smokers, pre-smokers, and new smokers;

“(C) documents concerning the effects of advertising; and

“(D) documents concerning future marketing options or plans in light of the requirements and regulations to be imposed under this subchapter or the KIDS Act.

“(d) AUTHORITY OF SECRETARY.—With respect to tobacco product manufacturers, the Secretary shall have the same access to records and information and inspection authority as is available with respect to manufacturers of other medical devices.

“SEC. 577. OVERSIGHT OF TOBACCO PRODUCT MANUFACTURING.

“The Secretary shall by regulation prescribe good manufacturing practice standards for tobacco products. Such regulations shall be modeled after good manufacturing practice regulations for medical devices, food, and other items under section 520(f). Such standards shall be directed specifically toward tobacco products, and shall include—

“(1) a quality control system, to ensure that tobacco products comply with such standards;

“(2) a system for inspecting tobacco product materials to ensure their compliance with such standards;

“(3) requirements for the proper handling of finished tobacco products;

“(4) strict tolerances for pesticide chemical residues in or on tobacco or tobacco product commodities in the possession of the manufacturer, except that nothing in this paragraph shall be construed to affect any authority of the Environmental Protection Agency;

“(5) authority for officers or employees of the Secretary to inspect any factory, warehouse, or other establishment of any tobacco product manufacturer, and to have access to records, files, papers, processes, controls and facilities related to tobacco product manufacturing, in accordance with appropriate authority and rules promulgated under this Act; and

“(6) a requirement that the tobacco product manufacturer maintain such files and records as the Secretary may specify, as well as that the manufacturer report to the Secretary such information as the Secretary shall require, in accordance with section 519.

“SEC. 578. PRESERVATION OF STATE AND LOCAL AUTHORITY.

“Notwithstanding section 521 and except as otherwise provided for in section 572(e), nothing in this subchapter shall be construed as prohibiting a State or locality from imposing requirements, prohibitions, penalties or other measures to further the purposes of this subchapter that are in addition to the requirements, prohibitions, or penalties required under this subchapter. State and local governments may impose additional tobacco product control measures to further restrict or limit the use of such products.”

SEC. 113. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subtitle (and the amendments made by this subtitle).

(b) TRIGGER.—No expenditures shall be made under this subtitle (or the amendments made by this subtitle) during any fiscal year in which the annual amount appropriated for the Food and Drug Administration is less than the amount so appropriated for the prior fiscal year.

SEC. 114. REPEALS.

The following provisions of law are repealed:

(1) The Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331 et seq.), except for the first section and sections 5(d)(1) and (2) and 6.

(2) The Comprehensive Smokeless Tobacco Health Education Act of 1986 (15 U.S.C. 4401 et seq.), except for sections 1, 3(f) and 8(a) and (b).

(3) The Comprehensive Smoking Education Act of 1964 (Public law 98-474).

## TITLE II—MISCELLANEOUS PROVISIONS

### SEC. 201. NONAPPLICATION TO TOBACCO PRODUCERS.

(a) IN GENERAL.—This Act and the amendments made by this Act shall not apply to the producers of tobacco leaf, including tobacco growers, tobacco warehouses, and tobacco grower cooperatives.

(b) RULE OF CONSTRUCTION.—Nothing in this Act, or an amendment made by this Act, shall be construed to provide the Secretary of Health and Human Services with the authority to—

(1) enter onto a farm owned by a producer of tobacco leaf without the written consent of such producer; or

(2) promulgate regulations on any matter that involves the production of tobacco leaf or a producer thereof, other than activities by a manufacturer that affect production.

(c) MANUFACTURER ACTING AS PRODUCER.—Notwithstanding any other provision of this section, if a producer of tobacco leaf is also a tobacco product manufacturer or is owned or controlled by a tobacco product manufacturer, the producer shall be subject to the provisions of this Act, and the amendments made by this Act, in the producer's capacity as a manufacturer.

(d) DEFINITION.—In this section, the term “controlled by” means a producer that is a member of the same controlled group of corporations, as that term is used for purposes of section 52(a) of the Internal Revenue Code of 1986, or under common control within the meaning of the regulations promulgated under section 52(b) of such Code.

### SEC. 202. EQUAL TREATMENT OF RETAIL OUTLETS.

The Secretary of Health and Human Services shall promulgate regulations to require that retail establishments that are accessible to individuals under the age of 18, for which the predominant business is the sale of tobacco products, comply with any advertising restrictions applicable to such establishments.

By Mr. REID:

S. 249. A bill to amend the Internal Revenue Code of 1986 to expand the credit for electricity produced from certain renewable resources; to the Committee on Finance.

Mr. REID. Mr. President, the bill I have introduced expands the existing production tax credit for renewable energy technology to cover all renewable energy technologies.

We have a crisis in America today. It is called electricity. It is called power. What took place and is taking place in California is only a preview of things that are going to happen all over America unless we do something about it. It is time to recognize the present system isn't working.

We can criticize California and what they did. It is obvious to everyone that their deregulation program simply was not workable. It wasn't workable because they were energy inefficient. They did not produce enough energy inside the State of California for the

deregulation bill they passed to work. The only time a deregulation bill such as they had would work is if you have a State that produces more electricity than it uses. There are some examples of that. California, however, decided they were going to deregulate, even though they didn't have enough electricity produced within the State. They figured they could buy cheap power elsewhere and have it brought into California. It was a recipe for disaster. The disaster hit. They are now trying to work their way out of the problem.

There is no question that the current energy crisis in California has demonstrated that America must diversify its energy mix. Already in Nevada electricity rates have risen six times; the natural gas price has increased more than 75 percent. This is a real problem. All we have to do is look around. I have a letter from a man named Ronald Feldstein from Carson City, NV. Among other things, he said: I was horrified to read that Southwest Gas was increasing our gas bills 35 percent effective February 1. Nevada is a poor State, mostly composed of senior retired citizens.

I add editorially, that isn't true, but we do have lots and lots of senior citizens. To the author of this letter, it seems the State of Nevada is composed mostly of senior citizens.

Last month, he says, his Southwest Gas bill was over \$100; a 35-percent increase will mean an additional \$35 on his electricity bill. The only way a senior can afford such a huge increase is to give up something. In other words, lower his standard of living. That usually means giving up a certain prescription drug or lowering his food bill.

He went on to say other things, but I think that conveys the problem we have in Nevada, and people all over America are about to have; that is, a huge increase in the price of fuel energy.

Ensuring that the lights and heat stay on is critical to sustaining America's economic growth and our quality of life. The citizens of Nevada and of this Nation demand a national energy strategy to ensure their economic well-being and security, and to provide for the quality of life they deserve.

It is a sad state of affairs that people like Mr. Feldstein, which can be multiplied in the State of Nevada thousands and thousands of times, have to make significant sacrifices to pay their energy bills. People are saying: I'm going to have to cut back on my prescriptions. I will have to cut back on the food I buy because I have a fixed income, and these power bills must be paid because I can't go without heat. Carson City, NV, is a cold place in the winter.

Nevadans understand that a national energy strategy must encompass something other than what we are doing. What we are doing now does not work. We are depending mostly on importing oil, and people who import the oil are

manipulating the price and that price is going sky high. We have to do something different. Of course, we have to do something about conservation. We must be more efficient. We must also expand our generating capacity. How are we going to do that? There are some who say that one of the ways is to do something with clean coal technology. That is something I am willing to take a look at, hopefully, so we can reduce the global warming problem when it is necessary to use coal. But it is difficult to significantly reduce harmful emissions with coal.

I have supported clean coal technology. We have a plant near Reno, NV, that started out with clean coal technology. It is important we do that. We are not going to develop any more nuclear powerplants in America in the foreseeable future. There are too many problems. It is too expensive. We have no way of disposing of the waste.

What else can we do? We have powerplants now, but the primary way they can be constructed is if they are fueled by natural gas. The cost of natural gas has gone way up.

What else can we do? I think one of the things we can do is develop renewable energy resources. This is a responsible way to expand our power capacity without compromising air or water quality.

Fossil fuel plants pump out over 11 million tons of pollutants into our air each year. This is not 11 million pounds, but tons, into our air each year. Powerplants in the United States are responsible for 35 percent of our national carbon dioxide emissions which contribute to global climate change, global warming. Powerplants in the United States are responsible for 66 percent of sulphur dioxide, which causes acid rain, 25 percent of nitrogen oxides, which lead to smog, and 21 percent of mercury, which poisons fish and other animals. That is what powerplants in the United States do. There is no disputing that. That is a fact.

The legislation I have introduced will renew the wind power production tax credit, expand the credit to additional renewable technologies, including solar, open-loop biomass, poultry and animal waste, geothermal, and incremental hydropower facilities. There is so much that can be done.

We are constructing, as we speak, 90 miles northwest of Las Vegas at the Nevada Test Site, wind-generating capacity that in 3 years will produce from windmills enough electricity, 265 megawatts, to power a quarter of a million homes.

These renewable energy sources can enhance America's energy supply on a scale of 1 to 3 years, considerably shorter than the time required for a fossil fuel powerplant.

The proposed production tax credit for all these renewable energy sources would be made permanent. One of the problems we have with many of our tax credits is we do them for a short period of time. People don't know whether

they are going to be in existence, and therefore they are unwilling to commit long term. This proposed production tax credit, if it is made permanent, will encourage use of renewable energy and signal America's long-term commitment to clean energy, to a healthy environment, and to our energy independence.

My bill also allows for coproduction credits to encourage blending of renewable energy with traditional fuels and provides a credit for renewable facilities on Native American and Native Alaskan lands.

Renewable energy is poised to make major contributions to our Nation's energy needs over the next decade.

It is so important we recognize that within 3 years one wind-generating farm in Nevada will produce 8 percent of all the electricity needs of the state. We can multiply that by 6 years to 20 percent. It is remarkable what can be done.

Nevada has already developed 200 megawatts of geothermal power with a longer term potential of more than 2,500 megawatts, enough capacity to meet the State's energy needs. Growing renewable energy industries in the United States will also help provide growing employment opportunities in the United States and help U.S. renewable technologies compete in world markets.

In States such as Nevada, expanded renewable energy production will provide jobs in rural areas—areas that have been largely left out of America's recent economic boom.

The Department of Energy has estimated we could increase our generation of geothermal energy almost tenfold, supplying 10 percent of the energy needs of the West, and expand wind energy production to serve the electricity needs of 10 million homes.

Renewable energy, as an alternative to traditional energy sources, is a commonsense way to ensure the American people that they can have a reliable source of power at an affordable price.

The United States needs to move away from its dependence on fossil fuels that pollute the environment and undermine our national security interests and balance of trade.

If there were ever a national security interest that we have, it would be doing something about the importation of fossil fuel. We have to do something to stop our dependence on these countries that manipulate the price of oil and other fuels. We have to do that; it is essential for our national security.

We need to send the signal to utility companies all over America that we are committed in the long term to the growth of renewable energy. We must accept this commitment for the energy security of the United States, for the protection of our environment, and for the health of the American people and literally the world.

By Mr. BIDEN (for himself, Mrs. HUTCHISON, Mr. LOTT, Mr.

DASCHLE, Mr. KERRY, Mr. BAUCUS, Mrs. BOXER, Mr. BREAUX, Mr. BURNS, Mr. BYRD, Mr. CARPER, Mr. L. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. COCHRAN, Ms. COLLINS, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. HELMS, Mr. HOLLINGS, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KOHL, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mrs. MURRAY, Mr. REID, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE):

S. 250. A bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes; to the Committee on Finance.

Mr. BIDEN. Mr. President, I rise today to introduce, along with Senator HUTCHISON, Senator LOTT, Senator DASCHLE, and 47 other cosponsors, the High Speed Rail Investment Act of 2001. With this legislation we continue the work begun by our former colleagues, Senator Bill Roth, Senator Pat Moynihan, and especially Senator Frank Lautenberg, who worked so hard in the last Congress to support high speed intercity passenger rail.

Since the very first steam locomotive in this country rolled in Newcastle, Delaware, railroading has been a capital-intensive industry. From the rolling stock to the right of way, railroads require major long-term investments. But unlike every other passenger rail system in the world, Amtrak has lacked a secure source of public support for its capital needs. Over the years, along with many of my colleagues here in the Senate, I have looked for ways to right that wrong.

The bill that Senator HUTCHISON and I introduce today is designed to provide Amtrak with the capital funds to establish a truly national high speed passenger rail system. The idea is simple, and it is modeled on a program we already have in place to support another important public priority, public school construction. Under this legislation, Amtrak is authorized to issue, over the next ten years, up to \$12 billion in bonds. Instead of an interest payment, the holders of those bonds will be paid by a rebate on their federal income taxes.

The funds generated from the sale of the bonds will be available for investments in high speed rail corridors throughout the country, from the established and profitable Northeast Corridor to planned corridors from Florida to the Pacific Northwest. One thing I learned from my days on the County Council in Delaware was that each route on a bus system supports and

sustains the others. Cut one route, and ridership will fall off on the others as the whole system becomes less useful. Conversely, the more complete the system the more people will find that it meets their needs.

Another thing I learned on the county council, Mr. President, is that if state and local governments are required to put up some of their own funds to match assistance from the federal government, they will think long and hard about the best use of their funds. That is why this legislation requires a twenty percent match by the state before a high speed rail project can qualify for the support this bill provides. This provision not only provides an additional safeguard that high speed rail investments meet the many real needs the states have, but it also assures that the funds will be there to pay off the bonds as they come due.

Before a project is eligible for the funds raised under this bill, it must be reviewed by the Secretary of Transportation for its financial soundness, its role in a national passenger rail system, and its contribution to balance among the many regional corridors in the national system.

I know that I don't have to tell my colleagues about the growing chorus of public complaints about air travel in this country. All over the country, overworked and over booked airports and flyways keep passengers sitting in terminals or out on the runways, waiting for some movement in a clogged system. The vast majority of our most crowded airports are located near rail lines that could take some of those passengers where they need to go faster, safer, and more comfortably.

But only if we make the same investment in passenger rail that every other advanced economy does, Mr. President. Today, those tracks carry no passengers while our airports are bursting at the seams.

The same is true for the major highway corridors between our nation's cities. Those arteries are clogged with every kind of traffic, from freight haulers to vacationers to business travelers. Many of them run parallel to major rail corridors, that could share some of that load. But only, Mr. President, if we make the same investment in passenger rail that every other advanced economy does.

Just look at the lack of balance in our transportation spending, Mr. President. We spend \$80 billion a year on our highways. We spend a billion just cleaning up road kills, and more than a billion a year salting icy roads. But we spend less than \$600 million a year on rail infrastructure.

We spend \$19 billion a year on aviation, but, again, less than \$600 million on rail.

These numbers are even more disturbing when you realize what you get for each dollar spent. Look at the enormous cost of individual projects. Construction of a freeway in Los Angeles costs \$125 million per mile. Per mile,

Mr. President. But that is cheap compared to the "Big Dig" Central Artery in Boston—the price tag on that is \$1.5 billion per mile. Airport construction is just as expensive: the Denver International Airport cost \$4.2 billion. To expand the Los Angeles International Airport will involve \$3 billion to \$4 billion in ground transportation costs alone.

High speed passenger rail investments can get a lot more done for a lot less money—five to ten times as much as an investment in new highways. For example, expanding I-95, our major east-coast highway corridor, by just one lane can cost as much as \$50 million a mile. That works out to about 45 passengers per hour for every million dollars. But a mile of new, high-speed rail track, which can cost \$8 million a mile, will move 450 passengers per hour for every million dollars invested. That's a good deal all around—fewer cars, less pollution, more people getting where they want to go.

Under the terms of the Amtrak Reform Act of 1997, we have put Amtrak on a path to self-sufficiency in its operating budget by the year 2003. I have said many times that I do not think that this is the wisest course. Given the long history of underfunding Amtrak's needs, I am far from convinced that we have put Amtrak in a position to reach full operating self sufficiency by that artificial deadline. But whatever we make of that deadline on operating support, Mr. President, it is clear that the very least we can do is provide Amtrak with the capital funds to become the passenger rail service this nation needs.

With the commitment of the leadership in both parties, with the support of over half of the Senate on the day of its introduction, this legislation is off to a great start. We will need all of these resources and more to see this through to final passage, and to get a real, world-class passenger rail system for the United States under way.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 250

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

#### SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "High-Speed Rail Investment Act of 2001".

(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.

#### SEC. 2. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new subpart:



**"Subpart H—Nonrefundable Credit for Holders of Qualified Amtrak Bonds"**

"Sec. 54. Credit to holders of qualified Amtrak bonds.

**"SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.**

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified Amtrak bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified Amtrak bond is 25 percent of the annual credit determined with respect to such bond.

"(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified Amtrak bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of sale of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

"(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

"(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED AMTRAK BOND.—For purposes of this part—

"(1) IN GENERAL.—The term 'qualified Amtrak bond' means any bond issued as part of an issue if—

"(A) 95 percent or more of the proceeds of such issue are to be used for any qualified project,

"(B) the bond is issued by the National Railroad Passenger Corporation,

"(C) the issuer—

"(i) designates such bond for purposes of this section,

"(ii) certifies that it meets the State contribution requirement of paragraph (3) with respect to such project and that it has received the required State contribution payment before the issuance of such bond,

"(iii) certifies that it has obtained the written approval of the Secretary of Trans-

portation for such project, including a finding by the Inspector General of the Department of Transportation that there is a reasonable likelihood that the proposed program will result in a positive incremental financial contribution to the National Railroad Passenger Corporation and that the investment evaluation process includes a return on investment, leveraging of funds (including State capital and operating contributions), cost effectiveness, safety improvement, mobility improvement, and feasibility, and

"(iv) certifies that it has obtained written certification by the Secretary, after consultation with the Secretary of Transportation, that, in the case of a qualified project which results in passenger trains operating at speeds greater than 79 miles per hour, the issuer has entered into a written agreement with the rail carriers (as defined in section 24102 of title 49, United States Code) the properties of which are to be improved by such project as to the scope and estimated cost of such project and the impact on freight capacity of such rail carriers; Provided that the National Railroad Passenger Corporation shall not exercise its rights under section 24308(a) of such title 49 to resolve disputes with respect to such project or the cost of such project.

"(D) the term of each bond which is part of such issue does not exceed 20 years,

"(E) the payment of principal with respect to such bond is the obligation of the National Railroad Passenger Corporation (regardless of the establishment of the trust account under subsection (j)), and

"(F) the issue meets the requirements of subsection (h).

"(2) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(A), the proceeds of an issue shall not be treated as used for a qualified project to the extent that the issuer takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a qualified Amtrak bond.

"(3) STATE CONTRIBUTION REQUIREMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(C)(ii), the State contribution requirement of this paragraph is met with respect to any qualified project if the National Railroad Passenger Corporation has a written binding commitment from 1 or more States to make matching contributions not later than the date of issuance of the issue of not less than 20 percent of the cost of the qualified project. State matching contributions may include privately funded contributions.

"(B) USE OF STATE MATCHING CONTRIBUTIONS.—The matching contributions described in subparagraph (A) with respect to each qualified project shall be used—

"(i) as necessary to redeem bonds which are a part of the issue with respect to such project, and

"(ii) in the case of any remaining amount, at the election of the National Railroad Passenger Corporation and the contributing State—

"(I) to fund a qualified project,

"(II) to redeem other qualified Amtrak bonds, or

"(III) for the purposes of subclauses (I) and (II).

"(C) STATE CONTRIBUTION REQUIREMENT FOR CERTAIN QUALIFIED PROJECTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, with respect to any qualified project on the high-speed rail corridors designated under section 104(d)(2) of

title 23, United States Code, the State contribution requirement of this paragraph may include the value of land to be contributed by a State for right-of-way and may be derived by a State directly or indirectly from Federal funds, including transfers from the Highway Trust Fund under section 9503.

"(ii) SPECIAL RULES REGARDING USE OF BOND PROCEEDS.—Proceeds from the issuance of bonds for such a qualified project may be used to the extent necessary for the purpose of subparagraph (B)(i), and any such proceeds deposited into the trust account required under subsection (j) shall be deemed expenditures for the qualified project under subsection (h).

"(D) STATE MATCHING CONTRIBUTIONS MAY NOT INCLUDE FEDERAL FUNDS.—Except as provided in subparagraph (C), for purposes of this paragraph, State matching contributions shall not be derived, directly or indirectly, from Federal funds, including any transfers from the Highway Trust Fund under section 9503.

"(E) NO STATE CONTRIBUTION REQUIREMENT FOR CERTAIN QUALIFIED PROJECTS.—With respect to any qualified project described in subsection (e)(4), the State contribution requirement of this paragraph is zero.

"(4) QUALIFIED PROJECT.—

"(A) IN GENERAL.—The term 'qualified project' means—

"(i) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

"(ii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the improvement of train speeds or safety (or both) on the high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, and

"(iii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for other intercity passenger rail corridors for the purpose of increasing railroad speeds to at least 90 miles per hour.

"(B) REFINANCING RULES.—For purposes of subparagraph (A), a refinancing shall constitute a qualified project only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by the National Railroad Passenger Corporation—

"(i) after the date of the enactment of this section,

"(ii) for a term of not more than 3 years,

"(iii) to finance or acquire capital improvements described in subparagraph (A), and

"(iv) in anticipation of being refinanced with proceeds of a qualified Amtrak bond.

"(C) PRIOR ISSUANCE COSTS.—For purposes of subparagraph (A), a qualified project may include the costs a State incurs prior to the issuance of the bonds to fulfill any statutory requirements directly necessary for implementation of the project.

"(e) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a qualified Amtrak bond limitation for each fiscal year. Such limitation is—

"(A) \$1,200,000,000 for each of the fiscal years 2002 through 2011, and

"(B) except as provided in paragraph (5), zero after fiscal year 2011.

“(2) BONDS FOR RAIL CORRIDORS.—Not more than \$3,000,000,000 of the limitation under paragraph (1) may be designated for any 1 rail corridor described in clause (i) or (ii) of subsection (d)(4)(A).”

“(3) BONDS FOR OTHER PROJECTS.—Not more than \$100,000,000 of the limitation under paragraph (1) for any fiscal year may be allocated to all qualified projects described in subsection (d)(4)(A)(iii).”

“(4) BONDS FOR ALASKA RAILROAD.—The Secretary of Transportation may allocate to the Alaska Railroad a portion of the qualified Amtrak limitation for any fiscal year in order to allow the Alaska Railroad to issue bonds which meet the requirements of this section for use in financing any project described in subsection (d)(4)(A)(iii) (determined without regard to the requirement of increasing railroad speeds). For purposes of this section, the Alaska Railroad shall be treated in the same manner as the National Railroad Passenger Corporation.”

“(5) CARRYOVER OF UNUSED LIMITATION.—If for any fiscal year—

“(A) the limitation amount under paragraph (1), exceeds

“(B) the amount of bonds issued during such year which are designated under subsection (d)(1)(C)(i),

the limitation amount under paragraph (1) for the following fiscal year (through fiscal year 2015) shall be increased by the amount of such excess.

“(6) ADDITIONAL SELECTION CRITERIA.—In selecting qualified projects for allocation of the qualified Amtrak bond limitation under this subsection, the Secretary of Transportation—

“(A) may give preference to any project with a State matching contribution rate exceeding 20 percent, and

“(B) shall consider regional balance in infrastructure investment and the national interest in ensuring the development of a nation-wide high-speed rail transportation network.

“(f) OTHER DEFINITIONS.—For purposes of this subpart—

“(1) BOND.—The term ‘bond’ includes any obligation.

“(2) CREDIT ALLOWANCE DATE.—The term ‘credit allowance date’ means—

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.

Such term includes the last day on which the bond is outstanding.

“(3) STATE.—The term ‘State’ means the several States and the District of Columbia, and any subdivision thereof.

“(4) PROGRAM.—The term ‘program’ means 1 or more projects implemented over 1 or more years to support the development of intercity passenger rail corridors.

“(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

“(h) SPECIAL RULES RELATING TO ARBITRAGE.—

“(1) IN GENERAL.—Subject to paragraph (2), an issue shall be treated as meeting the requirements of this subsection if as of the date of issuance, the issuer reasonably expects—

“(A) to spend at least 95 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on such date, and

“(B) to proceed with due diligence to complete such projects and to spend the proceeds of the issue.

“(2) RULES REGARDING CONTINUING COMPLIANCE AFTER 5-YEAR DETERMINATION.—If at

least 95 percent of the proceeds of the issue is not expended for 1 or more qualified projects within the 5-year period beginning on the date of issuance, an issue shall be treated as continuing to meet the requirements of this subsection if either—

“(A) the issuer uses all unspent proceeds of the issue to redeem bonds of the issue within 90 days after the end of such 5-year period, or

“(B) the following requirements are met:

“(i) The issuer spends at least 75 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on the date of issuance.

“(ii) The issuer has proceeded with due diligence to spend the proceeds of the issue within such 5-year period and continues to proceed with due diligence to spend such proceeds.

“(iii) The issuer pays to the Federal Government any earnings on the proceeds of the issue that accrue after the end of such 5-year period.

“(iv) Either—

“(I) at least 95 percent of the proceeds of the issue is expended for 1 or more qualified projects within the 6-year period beginning on the date of issuance, or

“(II) the issuer uses all unspent proceeds of the issue to redeem bonds of the issue within 90 days after the end of such 6-year period.

“(i) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

“(1) IN GENERAL.—If any bond which when issued purported to be a qualified Amtrak bond ceases to be a qualified Amtrak bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

“(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

“(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

“(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

“(3) SPECIAL RULES.—

“(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

“(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

“(i) the amount of any credit allowable under this part, or

“(ii) the amount of the tax imposed by section 55.

“(j) USE OF TRUST ACCOUNT.—

“(1) IN GENERAL.—The amount of any matching contribution with respect to a qualified project described in subsection (d)(3)(B)(i) or (d)(3)(B)(ii)(II) and the temporary period investment earnings on proceeds of the issue with respect to such project, and any earnings thereon, shall be

held in a trust account by a trustee independent of the National Railroad Passenger Corporation to be used to the extent necessary to redeem bonds which are part of such issue.

“(2) USE OF REMAINING FUNDS IN TRUST ACCOUNT.—Upon the repayment of the principal of all qualified Amtrak bonds issued under this section, any remaining funds in the trust account described in paragraph (1) shall be available—

“(A) to the trustee described in paragraph (1), to meet any remaining obligations under any guaranteed investment contract used to secure earnings sufficient to repay the principal of such bonds, and

“(B) to the issuer, for any qualified project.

“(k) OTHER SPECIAL RULES.—

“(1) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

“(2) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified Amtrak bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(3) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

“(A) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified Amtrak bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

“(B) CERTAIN RULES TO APPLY.—In the case of a separation described in subparagraph (A), the rules of section 1286 shall apply to the qualified Amtrak bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

“(4) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified Amtrak bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

“(5) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

“(6) REPORTING.—Issuers of qualified Amtrak bonds shall submit reports similar to the reports required under section 149(e).”

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by section 505(d), is amended by adding at the end the following new paragraph:

“(9) REPORTING OF CREDIT ON QUALIFIED AMTRAK BONDS.—

“(A) IN GENERAL.—For purposes of subsection (a), the term ‘interest’ includes amounts includible in gross income under section 54(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(f)(2)).

“(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.”.

(C) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Subpart H. Nonrefundable Credit for Holders of Qualified Amtrak Bonds.”.

(2) Section 6401(b)(1) is amended by striking “and G” and inserting “G, and H”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after September 30, 2001.

(e) MULTI-YEAR CAPITAL SPENDING PLAN AND OVERSIGHT.—

(1) AMTRAK CAPITAL SPENDING PLAN.—

(A) IN GENERAL.—The National Railroad Passenger Corporation shall annually submit to the President and Congress a multi-year capital spending plan, as approved by the Board of Directors of the Corporation.

(B) CONTENTS OF PLAN.—Such plan shall identify the capital investment needs of the Corporation over a period of not less than 5 years and the funding sources available to finance such needs and shall prioritize such needs according to corporate goals and strategies.

(C) INITIAL SUBMISSION DATE.—The first plan shall be submitted before the issuance of any qualified Amtrak bonds by the National Railroad Passenger Corporation pursuant to section 54 of the Internal Revenue Code of 1986 (as added by this section).

(2) OVERSIGHT OF AMTRAK TRUST ACCOUNT AND QUALIFIED PROJECTS.—

(A) TRUST ACCOUNT OVERSIGHT.—The Secretary of the Treasury shall annually report to Congress as to whether the amount deposited in the trust account established by the National Railroad Passenger Corporation under section 54(j) of such Code (as so added) is sufficient to fully repay at maturity the principal of any outstanding qualified Amtrak bonds issued pursuant to section 54 of such Code (as so added), together with amounts expected to be deposited into such account, as certified by the National Railroad Passenger Corporation in accordance with procedures prescribed by the Secretary of the Treasury.

(B) PROJECT OVERSIGHT.—The National Railroad Passenger Corporation shall contract for an annual independent assessment of the costs and benefits of the qualified projects financed by such qualified Amtrak bonds, including an assessment of the investment evaluation process of the Corporation. The annual assessment shall be included in the plan submitted under paragraph (1).

(C) OVERSIGHT FUNDING.—Not more than 0.5 percent of the amounts made available through the issuance of qualified Amtrak bonds by the National Railroad Passenger Corporation pursuant to section 54 of such Code (as so added) may be used by the National Railroad Passenger Corporation for assessments described in subparagraph (B).

(f) PROTECTION OF HIGHWAY TRUST FUND.—

(1) CERTIFICATION BY THE SECRETARY OF THE TREASURY.—The issuance of any qualified Amtrak bonds by the National Railroad Passenger Corporation or the Alaska Railroad pursuant to section 54 of the Internal Revenue Code of 1986 (as added by this section) is conditioned on certification by the Secretary of the Treasury, after consultation with the Secretary of Transportation, within 30 days of a request by the issuer, that with respect to funds of the Highway Trust Fund described under paragraph (2), the issuer either—

(A) has not received such funds during fiscal years commencing with fiscal year 2002 and ending before the fiscal year the bonds are issued, or

(B) has repaid to the Highway Trust Fund any such funds which were received during such fiscal years.

(2) APPLICABILITY.—This subsection shall apply to funds received directly, or indirectly from a State or local transit authority, from the Highway Trust Fund established under section 9503 of the Internal Revenue Code of 1986, except for funds authorized to be expended under section 9503(c) of such Code, as in effect on the date of the enactment of this Act.

(3) NO RETROACTIVE EFFECT.—Nothing in this subsection shall adversely affect the entitlement of the holders of qualified Amtrak bonds to the tax credit allowed pursuant to section 54 of the Internal Revenue Code of 1986 (as so added) or to repayment of principal upon maturity.

(g) EXEMPTION FROM TAXES FOR HIGH-SPEED RAIL LINES AND IMPROVEMENTS.—Notwithstanding any other provision of law, no rail carrier (as defined in section 24102 of title 49, United States Code) shall be required to pay any tax or fee imposed by the Internal Revenue Code of 1986 or by any State or local government with respect to the acquisition, improvement, or ownership of—

(1) personal or real property funded by the proceeds of qualified Amtrak bonds (as defined in section 54(d) of the Internal Revenue Code of 1986 (as added by this section) or any State or local bond (as defined in section 103(c)(1) of such Code), or revenues or income from such acquisition, improvement, or ownership, or

(2) rail lines in high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, that are leased by the National Railroad Passenger Corporation.

(h) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issue regulations required under section 54 of the Internal Revenue Code (as added by this section) not later than 90 days after the date of the enactment of this Act.

(i) ISSUANCE OF TAX-EXEMPT BONDS FOR RAIL PASSENGER PROJECTS.—

(1) FUNDING STATE MATCH REQUIREMENT.—Section 142(a) (relating to exempt facility bond) is amended by striking “or” at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting “, or”, and by adding at the end the following new paragraph:

“(13) the State contribution requirement for qualified projects under section 54.”.

(2) REPEAL OF GOVERNMENTAL OWNERSHIP REQUIREMENT FOR MASS COMMUTING FACILITIES.—Section 142(b)(1)(A) (relating to certain facilities must be governmentally owned) is amended by striking “(3).”.

(3) DEFINITION OF HIGH-SPEED INTERCITY RAIL FACILITIES.—Section 142(i)(1) is amended by striking “in excess of 150 miles per hour” and inserting “prescribed in section 104(d)(2) of title 23, United States Code.”.

(4) EXEMPTION FROM VOLUME CAP.—Subsection (g) of section 146 (relating to exception for certain bonds) is amended by striking paragraph (4) and the last sentence of such subsection and inserting the following new paragraph:

“(4) any exempt facility bond issued as part of an issue described in paragraph (3), (11), or (13) of section 142(a) (relating to mass commuting facilities, high-speed intercity rail facilities, and State contribution requirements under section 54).”.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to bonds issued after the date of enactment of this Act.

Mr. KERRY. Mr. President, I am proud to join our esteemed majority and minority leaders in sponsoring the High Speed Rail Investment Act of 2001. I am proud that our two leaders have been willing and able to work in a bipartisan manner to fulfill a promise that they made last month to re-introduce this critical legislation. I thank them, and I thank Senator BIDEN and Senator HUTCHISON for their strong leadership as well. Their commitment to this bill cannot be overstated.

This legislation would allow Amtrak to sell \$12 billion in bonds over the next ten years and permit the federal government to provide tax credits to bondholders in lieu of interest payments. Amtrak would use this money to upgrade existing rail lines to high-speed rail capability. This bill has supporters from both parties and all regions of the country.

Mr. President, high speed rail is not a partisan issue. It is not a regional issue. It is not an urban issue. The High-Speed Rail Investment Act has the support of the National Governors Association, the U.S. Conference of Mayors and the National Conference of State Legislatures. Thirty newspapers, from the New York Times and Providence Journal, to the Houston Chronicle and Seattle Post Intelligencer, have called for the enactment of this legislation.

It is in our national interest to construct a national infrastructure that is truly intermodal. Rail transportation helps alleviate the stress placed on our environment by air and highway transportation. It is a sad fact that America's rail transportation, and its lack of a national high-speed rail system, lags well behind rail transportation in most other nations—we spend less, per capita, on rail transportation than Estonia and Greece.

Mr. President, I know I made many of these same points on the floor of the Senate in December when we discussed a similar version of the High Speed Rail Investment Act. However, I believe that this legislation is critical to our nation's transportation infrastructure needs, and these facts bear repeating:

The federal government has invested \$380 billion in our highways and \$160 billion in airports since Amtrak was created. By contrast, the federal government has spent only about \$30 billion on Amtrak. We have spent just four percent of our transportation budget on rail transportation in the last 30 years. The Congress has mandated that Amtrak soon achieve operational self-sufficiency. That does not, nor should it, preclude further capital improvement grants. This is often misunderstood and misinterpreted. Amtrak has reduced its operating losses over the last two years, and remains capable of meeting its goal. However, it will continue to need the federal government to support its track upgrades, rolling stock improvements and other large-scale upgrades so that it may

maintain its trademark quality service.

There is a compelling need to invest in high-speed rail. Our highways and skyways are overburdened. Intercity passenger miles traveled have increased 80 percent since 1988, but only 5.5 percent of that has come from increased rail travel. Meanwhile, our congested skies have become even more crowded. The result, predictably, is that air travel delays are up 58 percent since 1995. Things have gotten so bad in Chicago that O'Hare airport maintains 1,500 cots for snow-bound travelers. This summer, the airport had to order additional cots to accommodate passengers left stranded by myriad delays and cancellations.

Amtrak ridership is on the rise. More than 22.5 million passengers rode Amtrak in Fiscal Year 2000, a million more than the previous year. Nearly six million riders took Amtrak in the first quarter of this fiscal year, the best first quarter in the company's 30-year history. Ridership for the quarter was up 8.5 percent, while ticket revenue climbed almost 14 percent over the first quarter of FY00. We should welcome that increased use and support it by giving Amtrak the resources it needs to provide high-quality, dependable service.

The High-Speed Rail Investment Act is critical to the future of Amtrak. For about the cost of the new Denver International Airport, we can improve intercity transportation in 29 states. For less than double the cost of constructing the new Woodrow Wilson bridge improving transportation in two states, we can create eight high-speed rail corridors in 29 states.

High-speed rail is a viable transportation alternative. There is a large and growing demand for rail service in the Northeast Corridor. Amtrak captures almost 70 percent of the business rail and air travel market between Washington and New York and 30 percent of the market share between New York and Boston. True high-speed rail will undoubtedly increase that market share. These new trains, like the Acela Express that debuted in the Northeast this year, currently run at an average of only 82 miles per hour, but with track improvements, will run at 130 miles per hour.

As a nation, we have recognized the importance of having the very best communication system, and ours is the envy of the world. That investment is one of reasons our economy is the strongest in the world. And we should do the same for our transportation system. It should be equally modern and must be fully intermodal. Rail transportation is a part of that network and I hope that we can pass this critical, cost-efficient legislation this year.

By Mr. VOINOVICH:

S. 252. A bill to amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds, and for

other purposes; to the Committee on Environment and Public Works.

Mr. VOINOVICH. Mr. President, I rise today to introduce the Clean Water Infrastructure Financing Act of 2001, legislation which will reauthorize the highly successful, but undercapitalized, Clean Water State Revolving Loan Fund, SRF Program administered by the U.S. Environmental Protection Agency, EPA.

As many of my colleagues know, the Clean Water SRF Program is an effective and immensely popular source of funding for wastewater collection and treatment projects. Congress created the Clean Water SRF Program in 1987 to replace the direct grants program that was enacted as part of the landmark 1972 Federal Water Pollution Control Act, or, as it is known, the Clean Water Act. State and local governments have used the Federal Clean Water SRF to help meet critical environmental infrastructure financing needs. The program operates much like a community bank, where each state determines which projects get built.

The performance of the Clean Water SRF Program has been spectacular. Total federal capitalization grants have been nearly doubled by non-federal funding sources, including state contributions, leveraged bonds, and principal and interest payments. Communities of all sizes are participating in the program, and approximately 7,000 projects nationwide have been approved to date.

As in many states, Ohio has needs for public wastewater system improvements which greatly exceed typical Clean Water SRF funding levels. For instance, in fiscal year 2001, a level of \$1.35 billion was appropriated for the Clean Water SRF. However, in Ohio alone, about \$4 billion of improvements have been identified as necessary to address combined sewer overflow, CSO, problems, according to the latest state figures. The City of Akron, for example, has proposed a Long Term Control Plan that will cost more than \$248 million to implement—nearly 20 percent of the total SRF level appropriated in fiscal year 2001. Because of Akron's CSO problem, city sewer rates will more than double without outside funding.

Further, estimates indicate that among Ohio towns with a population of less than 10,000, there exists \$1.2 billion in CSO needs. In recent years, Ohio cities and villages have been spending more on maintaining and operating their systems in order to stave-off the inevitable upgrades. Nevertheless, their systems are aging and will need to be replaced.

While the Clean Water SRF Program's track record is excellent, the condition of our nation's overall environmental infrastructure remains alarming. A 20-year needs survey conducted by the EPA in 1996 documented \$139 billion worth of wastewater capital needs nationwide. In 1999, the national assessment was revised upward to nearly \$200 billion, in order to more accu-

ately account for expected sanitary sewer needs. This amount may be too small; private studies demonstrate that total needs are closer to \$300 billion when anticipated replacement costs are considered.

Authorization for the Clean Water SRF expired at the end of fiscal year 1994, and the continued failure of Congress to reauthorize the program sends an implicit message that wastewater collection and treatment is not a national priority. The longer we have an absence of authorization of this program, the longer it creates uncertainty about the program's future in the eyes of borrowers, which may delay or, in some cases, prevent project financing. In order to allow any kind of substantial increase in spending, reauthorization of the Clean Water SRF program is necessary in the 107th Congress.

The bill that I am introducing today will authorize a total of \$15 billion over the next five years for the Clean Water SRF. Not only would this authorization bridge the enormous infrastructure funding gap, the investment would also pay for itself in perpetuity by protecting our environment, enhancing public health, creating jobs and increasing numerous tax bases across the country. Additionally, the bill will provide technical and planning assistance for small systems, expand the types of projects eligible for loan assistance, and offer financially-distressed communities extended loan repayment periods and principal subsidies. The bill also will allow states to give priority consideration to financially-distressed communities when making loans.

The health and well-being of the American public depends on the condition of our nation's wastewater collection and treatment systems. Unfortunately, the facilities that comprise these systems are often taken for granted absent a crisis. Let me assure my colleagues that the costs of poor environmental infrastructure cannot be ignored and the price will pay for continued neglect will far exceed the authorization level of this bill. Now is the time to address our infrastructure needs while the costs are manageable.

In just over a decade, the Clean Water SRF Program has helped thousands of communities meet their wastewater treatment needs. My bill will help ensure that the Clean Water SRF Program remains a viable component in the overall development of our nations' infrastructure for years to come. I urge my colleagues to join me in cosponsoring this legislation, and I urge its speedy consideration by the Senate.

By Ms. COLLINS (for herself, Mr. CONRAD, Mr. GREGG, Mr. BURNS, Mr. HUTCHINSON, Mr. ENZI, Mr. ROBERTS, Mr. ALLARD, Mr. HAGEL, Mr. DORGAN, Mr. THOMAS, and Mr. JOHNSON):

S. 253. A bill to reauthorize the Rural Education Initiative in subpart 2 of part J of title X of the Elementary and

Secondary Education Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

Ms. COLLINS. Mr. President, I rise today to introduce the Rural Education Improvement Act. I am pleased to be joined by my colleagues, Senators CONRAD, GREGG, HUTCHINSON, ENZI, HAGEL, ROBERTS, DORGAN, THOMAS, ALLARD, BURNS, and JOHNSON, as original cosponsors of this common sense, bipartisan proposal to help rural schools make better use of federal education funds. I also want to acknowledge the valuable assistance provided over the past two years by the American Association of School Administrators.

Last Congress, I introduced the Rural Education Initiative Act—the foundation for today's legislation. I am pleased that the REIA was largely incorporated into the final appropriations bill, thus allowing small, rural school districts to combine funds from four formula grant programs, giving them the flexibility to target funds toward their students' most pressing needs. While the passage of this bill represented substantial progress, it was a one-year authorization only, and no appropriations were provided for the supplemental grant program authorized by the new law.

Mr. President, the bill we introduce today strengthens the legislation enacted last year. The Collins-Conrad bill would provide a 5-year authorization of the rural education provisions enacted last year and authorize \$150 million annually for the supplemental grant program.

Our legislation would benefit school districts with fewer than 600 students in rural communities. More than 35 percent of all school districts in the United States have 600 or fewer students. In Maine, the percentage is even higher: 56 percent of our 284 school districts have fewer than 600 students. Our legislation would help them overcome some of the most challenging obstacles they face in participating in federal education programs.

By way of background, the Elementary and Secondary Education Act authorizes formula and competitive grants that help many of our local school districts to improve the education of their students. These federal grants support such laudable goals as the professional development of teachers, the incorporation of technology into the classroom, gifted and talented programs, and class size reduction. Schools receive categorical grants, each with its own authorized activities and regulations, each with its own red tape and paperwork. Unfortunately, as valuable as these programs may be for many large urban and suburban school districts, they often do not work well in rural areas for two major reasons.

First, formula grants often do not reach small, rural schools in amounts sufficient to achieve the goals of the programs. These grants are based on school district enrollment, and, therefore, smaller districts often do not re-

ceive enough funding from any single grant to carry out a meaningful activity. One Main district, for example, received a whopping \$28 to fund a district-wide Safe and Drug-free School program. This amount is certainly not sufficient to achieve the goal of that federal program, yet the school district could not use the funds for any other program.

To give school districts more flexibility to meet local needs, our legislation would allow rural districts to combine the funds from four categorical programs and use them to address the school district's highest priorities.

The second problem facing many rural school districts is that they are essentially shut out of the competitive programs because they lack the grantwriters and administrators necessary to apply for, win, and manage competitively awarded grants. The Rural Education Improvement Act would remedy this program by providing small, rural districts with a formula grant in lieu of eligibility for the competitive programs of the ESEA.

A district would be able to combine this new supplemental grant with the funds from the formula grants and use the combined monies for any purposes that would improve student achievement or teaching quality. Districts might use these funds to hire a new reading or math teacher, fund professional development, offer a program for gifted and talented students, or purchase computers or library books.

Let me give you a specific example of what these two initiatives would mean for one school Maine School District in Northern Maine with 400 students from the towns of Frenchville and St. Agatha receives four separate formula grants ranging from \$1,904 for Safe and Drug Free Schools to \$9,542 under the Class Size Reduction Act. You can see the problem right there. The amounts of the grants are so small that they really are not useful in accomplishing the goals of the program. The total for all four programs is just under \$16,000. Yet, each must be applied for separately, used for different—federally mandated—purposes, and accounted for independently.

Superintendent Jerry White told me that he needs to submit eight separate reports, for four programs, to receive this \$16,000. Under our bill, this school district would be freed from the multiple applications and reports and would have \$16,000 to use for its educational priorities.

Moreover, since this district does not have the resources to apply for the competitive grant programs, our legislation would result in a supplemental grant of \$34,000 as long as the District foregoes its eligibility for the competitively awarded grants. Under the Rural Education Improvement Act, therefore, the District will have \$50,000 and the flexibility to use these funds for its most pressing needs.

But with this flexibility and additional funding come responsibility and

accountability. In return for the advantages our bill provides, participating districts would be held accountable for demonstrating improved student performance over a 3-year period. Schools will be held responsible for what is really important—improved student achievement—rather than for time-consuming paperwork. As Superintendent White told me, "Give me the resources I need plus the flexibility to use them, and I am happy to be held accountable for improved student performance. It will happen."

Mr. President, we must improve our educational system without requiring every school to adopt a plan designed in Washington and without imposing overly burdensome and costly regulations in return for federal assistance. Our bill would allow small, rural districts to use their own strategies for improvement without the encumbrance of onerous federal regulations and unnecessary paperwork.

Congress took an important step last year by recognizing that small, rural districts face challenges in using federal programs to help provide a quality education for their students. Due to our efforts last year, the law now reflects Congress's intention to provide these districts more flexibility and additional funding. This legislation will move us from intention to implementation by providing sustained support, flexibility, and funding for our rural schools.

I am pleased that this legislation has been endorsed by the American Association of School Administrators, National Rural Education Association, the Association of Educational Service Agencies, and the National Education Association, and I ask unanimous consent that endorsement letters be printed in the RECORD.

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

NATIONAL RURAL  
EDUCATION ASSOCIATION,  
Arlington, VA, February 5, 2001.

Senator SUSAN COLLINS,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR COLLINS: The National Rural Education Association would like to applaud your recognition of the unique hardships that face small, rural schools in respect to their federal funding. Along with U.S. Senators Kent Conrad, D-ND; Judd Gregg, R-NH; Conrad Burns, R-MT; Chuck Hagel, R-NE; Michael Enzi, R-WY; Pat Roberts, R-KS; and Tim Johnson, D-SD; and Byron Dorgan, D-ND, you have reintroduced legislation that would ensure that small rural schools get a baseline amount of federal funding.

Currently, many small and rural schools are at a disadvantage when they receive their ESEA funding. Federal funding formulas are based on enrollment, which prevent small schools from receiving adequate resources. Due to the small numbers of students, these schools rarely receive enough combined funds to hire a teacher. Small schools also lack the administrative capacity to apply for competitive grants. This puts small rural schools on unequal federal footing with many of their urban and suburban counterparts.

Last December, your Rural Education Initiative was included in the omnibus appropriations bill. The new law allows districts to commingle some of the federal funds they receive and use them in areas to improve student achievement and professional development. In addition, it included legislation that would provide a minimum of \$20,000 to schools of 600 or less. These are the same schools are typically receiving approximately \$5,000 from the federal government.

By setting a baseline amount and allowing schools to commingle the funds, the local school district will have the opportunity to hire a specialist, provide signing bonuses to teachers, extend after school opportunities and enhance many other aspects of the small school budget. Most of all, it would enable the school to provide an education consistent with local needs.

Once again, we would like to extend our grateful thanks for your leadership on this issue. We urge the full Senate to reauthorize and fully fund this legislation on behalf of those schools who are too small to be heard.

Sincerely,

MARY CONK,  
*Legislative Analyst.*

AMERICAN ASSOCIATION  
OF SCHOOL ADMINISTRATORS,  
*Arlington, VA, February 5, 2001.*

Hon. SUSAN COLLINS,  
*U.S. Senate,  
Washington, DC.*

DEAR SENATOR COLLINS: On behalf of the American Association of School Administrators, representing more than 14,000 school system leaders, we would like to express our support for your bill reauthorizing the Rural Education Initiative. Your hard work and commitment to rural schools last congress improved federal education programs for all of the small isolated schools throughout rural America. The changes proposed in your reauthorization bill would improve upon last year's effort by providing more flexibility and increased funding for small isolated schools. Thank you for your continuing advocacy on behalf of rural schoolchildren and rural communities.

Currently small and rural school districts find it difficult to compete with larger districts for hundreds of millions of dollars in federal education competitive grants. Small, isolated districts receive well below their share of competitive grants, usually because they lack the administrative staff to apply for grants. The problem is compounded by shortcomings of federal formula programs. Federal education programs allocate funds based on enrollment, typically providing very little revenue to the smallest schools. The Collins-Conrad Rural Education Initiative would level the playing field by ensuring that each small district receives at least enough funding to hire a teacher or a specialist.

Studies in individual states and the National Assessment of Educational Progress document the difficulties of small, rural school districts:

Difficulty attracting and retaining quality teachers, and administrators,

Inability to offer advanced academic or vocational courses,

Disproportionate spending on transportation,

Loss of a sense of community when schools are consolidated, and

Inability to process all the federally required paperwork normally required of recipients.

The Rural Education Initiative would help small/rural districts by providing enough school improvements funds to implement real change. Rural and small school districts would be eligible for grants of \$20,000 to

\$60,000 depending upon enrollment. Although the program was passed into law last year, it has not yet been funded. More than 4,000 small and rural school districts benefit from the flexibility provided in last year's program; those same 4,000 districts will be able to advance even greater improvements when the program is reauthorized and appropriated.

The funds would be used to enhance the reading and math proficiency of students; to provide an education consistent with local needs; and to enable small/rural communities to prepare young people to compete in the emerging knowledge-based economy.

The Association is grateful to you, Kent Conrad, R-ND; Judd Gregg, R-NH; Conrad Burns, R-MT; Chuck Hagel, R-NE; Michael Enzi, R-WY; Pat Roberts, R-KS; Tim Johnson, D-SD; and Byron Dorgan, D-ND for their advocacy on behalf of rural school children. We urge the full Senate to embrace and fund this important legislation.

Sincerely,

JORDAN CROSS,  
*Legislative Specialist.*

ASSOCIATION OF  
EDUCATIONAL SERVICE AGENCIES,  
*Arlington, VA, February 5, 2001.*

Hon. SUSAN COLLINS,  
*U.S. Senate,  
Washington, DC.*

DEAR SENATOR COLLINS: On behalf of the Association of Education Service Agencies, we would like to express our gratitude for your work on the Rural Education Initiative. Your efforts during the 106th Congress helped rectify many of the inequalities that disadvantage small school districts. By increasing the flexibility of federal education programs, local districts can now make better use of federal dollars. This year, you have taken that effort one step further with the reauthorization of the Rural Education Initiative. The Collins-Conrad reauthorization proposal would complete last year's goal by ensuring that small rural schools are treated fairly by federal formula programs and funded at an adequate level.

Educational Service Agencies (ESAs) are intermediate units that frequently provide assistance to small and rural schools that do not have the administrative staff to operate some education programs in-house. When a small rural school district receives a tiny federal education, ESAs often facilitate consortia to make better use of federal funds. ESAs are the primary source of professional development and technology assistance to rural schools. The members of our association understand first-hand the particular needs of rural districts; your proposal offers the best hope for accommodating those needs and the best means for improving rural education.

Rural schoolchildren deserve to benefit from the federal education programs enjoyed by urban and suburban students. We thank you for your work on the Rural Education Initiative, and we offer our full support.

Sincerely,

BRUCE HUNTER,  
*Legislative Specialist.*

NATIONAL EDUCATION ASSOCIATION,  
*Washington, DC, January 31, 2001.*

STATEMENT OF THE NATIONAL EDUCATION ASSOCIATION IN SUPPORT OF THE RURAL EDUCATION INITIATIVE

The National Education Association's (NEA) supports the concepts included in the Rural Education Initiative (REI), introduced today in the United States Senate by Senators Collins and Conrad.

NEA research demonstrates the need for increased emphasis on meeting the needs of

rural schools. For example, 49 percent of the nation's public schools, teaching 40 percent of the nation's students, are located in rural areas and small towns. Yet, schools in rural and small towns receive only 22 percent of total federal, state, and local education spending. In addition, federal funding formulas often provide rural and small towns with small allotments that afford little or no actual assistance but require significant paperwork.

The Rural Education Initiative represents an important step toward addressing the unique problems associated with education in small towns and rural areas. We encourage its passage into law.

Mr. CONRAD. Mr. President, I am very pleased to join my distinguished colleagues, Senator SUSAN COLLINS and Senator JUDD GREGG, to introduce the Rural Education Initiative (REI). We introduced similar legislation, S. 1225, during the 106th Congress to respond to a number of challenges facing small, rural schools, and I am pleased that we were successful in incorporating some of the major provisions of S. 1225 in the FY 2001 Omnibus Appropriations bill. This Congressional action will provide flexibility for school officials from small, rural schools to make better use of Federal education funds for critical educational needs at the local level.

Under Public law 106-1033, Congress authorized school districts with fewer than 600 students, and a Department of Education (DOE) Locale Code designation of 7 or 8 to combine funding from four Federal education programs (Titles, II, IV, VI and Class Size Reduction) and use that funding to supplement Federal education programs under Titles I, II, IV, and VI. Congress also authorized, although was not able to fund, supplemental grants of up to \$60,000 to assist small, rural school districts develop programs to improve academic achievement and the quality of instruction. Funding the supplemental grants program in the Rural Education Initiative is a major priority during consideration of the Elementary and Secondary Reauthorization in the 107th Congress.

Today, we are re-introducing legislation to extend the authority under the Rural Education Initiative in P.L. 106-1033 for a five-year period to permit small, rural school districts to continue to have flexibility in the use of funds from a limited number of Federal education programs. This bill will also authorize \$150 million for supplemental grants of up to \$60,000 to rural schools to improve student achievement, provide professional development opportunities for educators or undertake education reform activities. School districts with fewer than 600 students and with a DOE Locale Code of 7 or 8 will be eligible to participate in the REI program.

I am particularly pleased that the Rural Education Initiative has received bipartisan support and is cosponsored today by Senators COLLINS, GREGG, HAGEL, ENZI, HUTCHINSON, DORGAN, ROBERTS, BURNS, JOHNSON, and THOMAS. The Rural Education Initiative is



also being endorsed by the American Association of School Administrators, the National Education Association, the National Rural Education Association, and the Association of Educational Service Agencies.

Mr. President, small rural schools face a growing number of unique challenges because of declining school age populations, aging facilities, and significant distances and remote locations for many rural school districts. While increased Federal education funding and targeting of these funds has been very helpful for rural school districts, these efforts alone are not responding sufficiently to the needs of many small, rural schools.

Many rural schools, for example, while recognizing the importance of new initiatives like Class Size Reduction, are already at the levels recommended under the Class Size Reduction Initiative. Under current law, rural schools have only limited flexibility to use Class Size funds to meet other local education priorities. In many instances, the Class Size funds and allocations from a number of other Federal formula programs are not sufficient to permit effective use of the funds by the rural district.

Additionally, although rural schools are able to apply for DOE competitive grant programs, rural schools are not able to compete as effectively as some urban and suburban schools because limited resources do not permit many smaller, rural districts to hire specialists to prepare grant applications to compete for these funds. In some cases, the only option for a smaller district is to form a consortium with other schools to qualify for sufficient funding.

The difficulties accessing DOE competitive grant funds by rural schools are summed up well by Elroy Burkle, Superintendent of the Starkweather Public School District, a district with 131 students. Burkle remarked, "schools districts have lost their ability to access funds directly, and as a result of forming these consortiums in order to access these monies, it is my opinion, we have lost our individual ability to utilize these monies in an effective manner that would be conducive to promoting the educational needs of our individual schools."

Mr. President, the Rural Education Initiative responds to many of the concerns of Elroy Burkle and thousands of other school officials from smaller, rural school districts. The REI authorizes flexibility for local schools officials to more effectively use certain DOE formula funds. The legislation also authorizes supplemental grant funding for rural school districts who are not in a position to apply for some DOE competitive grant programs and in need additional funds for programs to improve student achievement or provide professional development opportunities for educators.

As we begin our debate in the 107th Congress on the education proposals re-

cently presented by President Bush and reauthorization of the Elementary and Secondary Education Act, it's very important that we consider the Rural Education Initiative as part of this debate. No issue is more important for rural America than the future of our schools. We must make certain that Federal education dollars are available to assist small, rural schools to provide the best education opportunities for children in rural America.

I commend Senator COLLINS for taking the lead again in the 107th Congress on this important education issue. I also congratulate the American Association of School Administrators and the National Education Association for their leadership on rural education issues and the development of this important rural education initiative. I strongly urge the Committee on Health, Education, Labor, and Pensions to carefully examine the many concerns of schools in rural America and to support reauthorization of the Rural Education Initiative that was adopted during the 106th Congress.

Mr. President, I ask unanimous consent that the endorsements of the Rural Education Initiative from the American Association of School Administrators, the National Education Association, the National Rural Education Association, and the Association of Educational Service Agencies be printed in the RECORD at the conclusion of my remarks.

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

STATEMENT OF THE NATIONAL EDUCATION ASSOCIATION IN SUPPORT OF THE RURAL EDUCATION INITIATIVE

The National Education Association's (NEA) supports the concepts included in the Rural Education Initiative (REI), introduced today in the United States Senate by Senators Collins and Conrad.

NEA research demonstrates the need for increased emphasis on meeting the needs of rural schools. For example, 49 percent of the nation's public schools, teaching 40 percent of the nation's students, are located in rural areas and small towns. Yet, schools in rural and small towns receive only 22 percent of total federal, state, and local education spending. In addition, federal funding formulas often provide rural and small towns with small allotments that afford little or no actual assistance but require significant paperwork.

The Rural Education Initiative represents an important step toward addressing the unique problems associated with education in small towns and rural areas. We encourage its passage into law.

AMERICAN ASSOCIATION OF  
SCHOOL ADMINISTRATORS,  
Arlington, VA, February 5, 2001.

Hon. KENT CONRAD,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR CONRAD: On behalf of the American Association of School Administrators, representing more than 14,000 school system leaders, we would like to express our support for your bill reauthorizing the Rural Education Initiative. Your hard work and commitment to rural schools last congress improved federal education programs for all

of the small isolated schools throughout rural America. The changes proposed in your reauthorization bill would improve upon last year's effort by providing more flexibility and increased funding for small isolated schools. Thank you for your continuing advocacy on behalf of rural schoolchildren and rural communities.

Currently small and rural school districts find it difficult to compete with larger districts for hundreds of millions of dollars in federal education competitive grants. Small, isolated districts receive well below their share of competitive grants, usually because they lack the administrative staff to apply for grants. The problem is compounded by shortcomings of federal formula programs. Federal education programs allocate funds based on enrollment, typically providing very little revenue to the smallest schools. The Collins-Conrad Rural Education Initiative would level the playing field by ensuring that each small district receives at least enough funding to hire a teacher or a specialist.

Studies in individual states and the National Assessment of Educational Progress document the difficulties of small, rural school districts: Difficulty attracting and retaining quality teachers, and administrators, inability to offer advanced academic or vocational courses, disproportionate spending on transportation, loss of a sense of community when schools are consolidated, and inability to process all the federally required paperwork normally required of recipients.

The Rural Education Initiative would help small/rural districts by providing enough school improvement funds to implement real change. Rural and small school districts would be eligible for grants of \$20,000 to \$60,000 depending upon enrollment. Although the program was passed into law last year, it has not yet been funded. More than 4,000 small and rural school districts benefit from the flexibility provided in last year's program; those same 4,000 districts will be able to advance even greater improvements when the program is reauthorized and appropriated.

The funds would be used to enhance the reading and math proficiency of students; to provide an education consistent with local needs; and to enable small/rural communities to prepare young people to compete in the emerging knowledge-based economy.

The Association is grateful to you, Susan Collins, R-ME; Judd Gregg, R-NH; Conrad Burns, R-MT; Chuck Hagel, R-NE; Michael Enzi, R-WY; Pat Roberts, R-KS; Tim Johnson, D-SD; and Byron Dorgan, D-ND for their advocacy on behalf of rural school children. We urge the full Senate to embrace and fund this important legislation.

Sincerely,

JORDAN CROSS,  
Legislative Specialist.

NATIONAL RURAL EDUCATION  
ASSOCIATION,  
Arlington, VA, February 5, 2001.

Senator KENT CONRAD,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR CONRAD: The National Rural Education Association would like to applaud our recognition of the unique hardships that face small, rural schools in respect to their federal funding. Along with U.S. Senators Kent Conrad, D-ND; Judd Gregg, R-NH; Conrad Burns, R-MT; Chuck Hagel, R-NE; Michael Enzi, R-WY; Pat Roberts, R-RS; and Tim Johnson, D-SD; and Byron Dorgan, D-ND, you have reintroduced legislation that would ensure that small rural schools get a baseline amount of federal funding.

Currently, many small and rural schools are at a disadvantage when they receive

their ESEA funding. Federal funding formulas are based on enrollment, which prevent small schools from receiving adequate resources. Due to the small numbers of students, these schools rarely receive enough combined funds to hire a teacher. Small schools also lack the administrative capacity to apply for competitive grants. This puts small rural schools on unequal federal footing with many of their urban and suburban counterparts.

Last December, your Rural Education Initiative was included in the omnibus appropriations bill. The new law allows districts to commingle some of the federal funds they receive and use them in areas to improve student achievement and professional development. In addition, it included legislation that would provide a minimum of \$20,000 to schools of 600 or less. These are the same schools typically receiving approximately \$5,000 from the federal government.

By setting a baseline amount and allowing schools to commingle the funds, the local school district will have the opportunity to hire a specialist, provide a signing bonus to teachers, extend after school opportunities and enhance many other aspects of the small school budget. Most of all, it would enable the school to provide an education consistent with local needs.

Once again, we would like to extend our grateful thanks for your leadership on this issue. We urge the full Senate to reauthorize and fully fund this legislation on behalf of those schools who are too small to be heard.

Sincerely,

MARY CONK,  
*Legislative Analyst.*

ASSOCIATION OF  
EDUCATIONAL SERVICE AGENCIES,  
*Arlington, VA, February 5, 2001.*

Hon. KENT CONRAD,  
*U.S. Senate,  
Washington, DC.*

DEAR SENATOR CONRAD: On behalf of the Association of Education Service Agencies, we would like to express our gratitude for your work on the Rural Education Initiative. Your efforts during the 106th Congress helped rectify many of the inequalities that disadvantage small school districts. By increasing the flexibility of federal education programs, local districts can now make better use of federal dollars. This year, you have taken that effort one step further with the reauthorization of the Rural Education Initiative. The Collins-Conrad reauthorization proposal would complete last year's goal by ensuring that small rural schools are treated fairly by federal formula programs and funded at an adequate level.

Educational Service Agencies (ESAs) are intermediate units that frequently provide assistance to small and rural schools that do not have the administrative staff to operate some education programs in-house. When a small rural school district receives a tiny federal education, ESAs often facilitate consortia to make better use of federal funds. ESAs are the primary source of professional development and technology assistance to rural schools. The members of our association understand first-hand the particular needs of rural districts; your proposal offers the best hope for accommodating those needs and the best means for improving rural education.

Rural schoolchildren deserve to benefit from the federal education programs enjoyed by urban and suburban students. We thank you for your work on the Rural Education Initiative, and we offer our full support.

Sincerely,

BRUCE HUNTER,  
*Legislative Specialist.*

Mr. ROBERTS. Mr. President, Today I rise in support of the Rural Education

Initiative introduced by Senator COLLINS. I am also pleased to join my other colleagues from the Health Education Labor and Pensions Committee in support of this bill. In a time when the education of our nation's youth is a priority, we need to make sure that all schools have the opportunity to improve and reform. This legislation does just that.

The Rural Education Initiative Act will allow small rural schools to make better use of federal education dollars. In Kansas, 46 percent of our school districts have fewer than 600 students. In Utica, Kansas, in the Nes Tre La Go Unified School District number 301, there are 34 elementary students and 39 high school students that make up the entire enrollment. Districts like these in Kansas and other rural areas face multiple obstacles when obtaining and utilizing federal funds.

First, they seldom receive enough money from any single grant to make a lasting and measurable impact on school improvement. Grants are based on school enrollment and the funds doled out to these small districts are rarely enough. This bill would allow the merging of splintered federal funds so that grant money can be used effectively to meet local education priorities. District are granted the freedom to spend the funds as they see fit.

Second, small rural districts do not have the manpower to apply for competitive grants. This bill provides a formula grant as an option instead of limiting districts to the lengthy and involved application process for ESEA competitive grant programs. Under this formula, districts don't have to strain their resources simply applying for federal funds.

With this reform and flexibility there will be accountability. Districts will be required to demonstrate improved student performance using tests they already administer to assess student achievement.

This bill abolishes undue obstacles rural districts face as they try to improve the quality of education in their own schools. I urge my colleagues to support this common sense legislation and allow small rural districts to obtain federal funds and use them to meet their own objectives.

Mr. THOMAS. Mr. President, I would like to take this opportunity to express my support for Senator COLLINS' Rural Education Improvement Act, a bill that would allow school districts in my state and across the nation to more fully benefit from the use of federal grant monies. In current formula-based federal grants, some of the amounts rural districts receive are so small the school districts an not do anything meaningful with them. This "One-size-fits-all" policy would be remedied under the "Rural Education Improvement Act," which would allow several small sums to be joined and spent according to local needs. Like Senator COLLINS, I'm committed to giving parents and local school districts more say

in how their education dollars are spent. I commend the Senator for her efforts in this area and am proud to co-sponsor this legislation.

By Mr. WYDEN (for himself and Mr. SMITH of Oregon):

S. 254. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, I rise today to introduce the Little Sandy Watershed Protection Act.

I promised Oregonians that one of my first legislative actions when the 107th Congress convened would be the introduction of this bill.

Therefore, joined by my friends Senator GORDON SMITH and Congressman EARL BLUMENAUER, I introduce this legislation to make sure that Portland families can go to their kitchen faucets and get a glass of safe and pure drinking water today, tomorrow, and on, into the 21st century.

The Bull Run has been the primary source of water for Portland since 1895. The Bull Run Watershed Management Unit, Mount Hood National Forest, was protected by Congressional action in 1904, in 1977 and then again, most recently, in 1996 (P.L. 95-200, 16, U.S.C. 482b note) because it was recognized as Portland's primary municipal water supply. It still is.

Today I propose to finish the job of the Oregon Resources and Conservation Act of 1996. That law, which I worked on with former Senator Mark Hatfield, finally provided full protection to the Bull Run watershed, but only gave temporary protection to the adjacent Little Sandy watershed. I promised in 1996 that I would return to finish the job of protecting Portland's drinking water supply, and I intend to continue to push this legislation until the job is completed.

The bill I introduce today expands the Bull Run Watershed Management Unit boundary from approximately 95,382 acres to approximately 98,272 acres by adding the southern portion of the Little Sandy River watershed, an increase of approximately 2,890 acres.

The protection this bill offers will not only assure clean drinking water, but also increase the potential for fish recovery. Reclaiming suitable habitat for our region's threatened fish populations must be an all-out effort. Through the cooperation of Portland General Electric and the City of Portland, the Little Sandy can be an important part of that effort.

The bill I introduce today is a compromise that was passed unanimously by the Senate during the last days of the 106th Congress. Unfortunately, the U.S. House of Representatives of the 106th Congress refused to pass this important, noncontroversial, piece of legislation before the final bells rang.

My belief is that the children of the 21st century deserve water that is as

safe and pure as any that the Oregon pioneers found in the 19th century. This legislation will go a long way toward bringing about that vision.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 254

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

**SECTION 1. INCLUSION OF ADDITIONAL PORTION OF THE LITTLE SANDY RIVER WATERSHED IN THE BULL RUN WATERSHED MANAGEMENT UNIT, OREGON.**

(a) IN GENERAL.—Public Law 95-200 (16 U.S.C. 482b note; 91 Stat. 1425) is amended by striking section 1 and inserting the following:

**“SECTION 1. ESTABLISHMENT OF SPECIAL RESOURCES MANAGEMENT UNIT; DEFINITION OF SECRETARY.**

“(a) DEFINITION OF SECRETARY.—In this Act, the term ‘Secretary’ means—

“(1) with respect to land administered by the Secretary of Agriculture, the Secretary of Agriculture; and

“(2) with respect to land administered by the Secretary of the Interior, the Secretary of the Interior.

“(b) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established, subject to valid existing rights, a special resources management unit in the State of Oregon, comprising approximately 98,272 acres, as depicted on a map dated May 2000 and entitled ‘Bull Run Watershed Management Unit’.

“(2) MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the offices of—

“(A) the Regional Forester-Pacific Northwest Region of the Forest Service; and

“(B) the Oregon State Director of the Bureau of Land Management.

“(3) BOUNDARY ADJUSTMENTS.—The Secretary may periodically make such minor adjustments in the boundaries of the unit as are necessary, after consulting with the city and providing for appropriate public notice and hearings.”.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) SECRETARY.—Public Law 95-200 (16 U.S.C. 482b note; 91 Stat. 1425) is amended by striking “Secretary of Agriculture” each place it appears (except subsection (b) of section 1, as added by subsection (a), and except in the amendments made by paragraph (2)) and inserting “Secretary”.

(2) APPLICABLE LAW.—

(A) IN GENERAL.—Section 2(a) of Public Law 95-200 (16 U.S.C. 482b note; 91 Stat. 1425) is amended by striking “applicable to National Forest System lands” and inserting “applicable to land under the administrative jurisdiction of the Forest Service (in the case of land administered by the Secretary of Agriculture) or applicable to land under the administrative jurisdiction of the Bureau of Land Management (in the case of land administered by the Secretary of the Interior)”.

(B) MANAGEMENT PLANS.—The first sentence of section 2(c) of Public Law 95-200 (16 U.S.C. 482b note; 91 Stat. 1426) is amended—

(i) by striking “subsection (a) and (b)” and inserting “subsections (a) and (b)”;

(ii) by striking “, through the maintenance” and inserting “(in the case of land administered by the Secretary of Agriculture) or section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) (in the case of land administered

by the Secretary of the Interior), through the maintenance”.

**SEC. 2. MANAGEMENT.**

(a) TIMBER CUTTING RESTRICTIONS.—Section 2(b) of Public Law 95-200 (16 U.S.C. 482b note; 91 Stat. 1426) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall prohibit the cutting of trees on Federal land in the unit, as designated in section 1 and depicted on the map referred to in that section.”.

(b) REPEAL OF MANAGEMENT EXCEPTION.—The Oregon Resource Conservation Act of 1996 (division B of Public Law 104-208) is amended by striking section 606 (110 Stat. 3009-543).

(c) REPEAL OF DUPLICATIVE ENACTMENT.—Section 1026 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333; 110 Stat. 4228) and the amendments made by that section are repealed.

(d) WATER RIGHTS.—Nothing in this section strengthens, diminishes, or has any other effect on water rights held by any person or entity.

**SEC. 3. LAND RECLASSIFICATION.**

(a) OREGON AND CALIFORNIA RAILROAD LAND.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall identify any Oregon and California Railroad land that is subject to the distribution provision of title II of the Act of August 28, 1937 (43 U.S.C. 1181f), within the boundary of the special resources management area described in section 1 of Public Law 95-200 (as amended by section 1(a)).

(b) PUBLIC DOMAIN LAND.—

(1) DEFINITION OF PUBLIC DOMAIN LAND.—

(A) IN GENERAL.—In this subsection, the term “public domain land” has the meaning given the term “public land” in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(B) EXCLUSION.—The term “public domain land” does not include any land managed under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(2) IDENTIFICATION.—Not later than 18 months after the date of enactment of this Act, the Secretary of the Interior shall identify public domain land within the Medford, Roseburg, Eugene, Salem, and Coos Bay Districts and the Klamath Resource Area of the Lakeview District of the Bureau of Land Management in the State of Oregon that—

(A) is approximately equal in acreage and condition as the land identified in subsection (a); but

(B) is not subject to the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(c) MAPS.—Not later than 2 years after the date of enactment of this Act, the Secretary of the Interior shall submit to Congress and publish in the Federal Register 1 or more maps depicting the land identified in subsections (a) and (b).

(d) RECLASSIFICATION.—After providing an opportunity for public comment, the Secretary of the Interior shall administratively reclassify—

(1) the land described in subsection (a), as public domain land (as the term is defined in subsection (b)) that is not subject to the distribution provision of title II of the Act of August 28, 1937 (43 U.S.C. 1181f); and

(2) the land described in subsection (b), as Oregon and California Railroad land that is subject to the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

**SEC. 4. FUNDING FOR ENVIRONMENTAL RESTORATION.**

There is authorized to be appropriated to carry out, in accordance with section 323 of the Department of the Interior and Related

Agencies Appropriations Act, 1999 (16 U.S.C. 1101 note; 112 Stat. 2681-290), watershed restoration that protects or enhances water quality, or relates to the recovery of endangered species or threatened species listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), in Clackamas County, Oregon, \$10,000,000.

By Ms. SNOWE (for herself, Mrs. MURRAY, and Mr. JOHNSON):

S. 255. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Health, Education, Labor, and Pensions.

Ms. SNOWE. Mr. President, I rise today to reintroduce the Women's Health and Cancer Rights Act. I am pleased to be joined by my friends, Senator MURRAY of Washington and Senator JOHNSON of South Dakota, as original cosponsors of this bill.

This bill has a two-fold purpose. First, it will ensure that appropriate medical care determines how long a woman stays in the hospital after undergoing a mastectomy. This provision says that inpatient coverage with respect to the treatment of mastectomy—regardless of whether the patient's plan is regulated by ERISA or State regulations—will be provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate. Second, this bill allows any person facing a cancer diagnosis of any type to get a second opinion on their course of treatment.

A diagnosis of breast cancer is something that every woman dreads. But for an estimated 192,200 American women, this is the year their worst fears will be realized. One thousand new cases of breast cancer will be diagnosed among the women in Maine, and 200 women in my home State will die from this tragic disease. The fact is, one in nine women will develop breast cancer during their lifetime, and for women between the ages of 35 and 54, there is no other disease which will claim more lives.

It's not hard to understand why the words “you have breast cancer” are some of the most frightening words in the English language. For the woman who hears them, everything changes from that moment forward. No wonder, then, that it is a diagnosis not only accompanied by fear, but also by uncertainty. What will become of me? What will they have to do to me? What will I have to endure? What's the next step?

For many women, the answer to that last question is a mastectomy or lumpectomy. Despite the medical and scientific advances that have been made, despite the advances in early detection technology that more and more often negate the need for radical surgery, it still remains a fact of life at the beginning of the 21st century these procedures can be the most prudent option in attacking and eradicating cancer found in a woman's breast.

These are the kind of decisions that come with a breast cancer diagnosis. These are the kind of questions women must answer, and they must do so under some of the most stressful and frightening circumstances imaginable. The last question a woman should have to worry about at a time like this is whether or not their health insurance plan will pay for appropriate care after a mastectomy. A woman diagnosed with breast cancer in many ways already feels as though she has lost control of her life. She should not feel as though she has also lost control of her course of treatment.

The evidence for the need for this bill—especially when it comes to so-called “drive through mastectomies”, is more than just allegorical. Indeed, the facts speak for themselves—between 1986 and 1995, the average length of stay for a mastectomy dropped from about six days to about 2 to 3 days. Thousands of women across the country are undergoing radical mastectomies on an outpatient basis and are being forced out of the hospital before either they or their doctor think it's reasonable or prudent.

This decision must be returned to physicians and their patients, and all Americans who face the possibility of a cancer diagnosis must be able to make informed decisions about appropriate and necessary medical care.

I urge my colleagues to join me in supporting this bill and work towards passing it this year.

By Ms. SNOWE:

S. 256. A bill to amend the Civil Rights Act of 1964 to protect breastfeeding by new mothers; to the Committee on Health, Education, Labor, and Pensions.

Ms. SNOWE. Mr. President, I rise today to introduce a bill that is very important to working women and their families—the Pregnancy Discrimination Act Amendments of 2001. This bill would clarify that the Pregnancy Discrimination Act protects breastfeeding under civil rights law, requiring that a woman cannot be fired or discriminated against in the workplace for expressing breast milk during her own lunch time or break time.

According to the U.S. Department of Labor, women with infants and toddlers are the fastest growing segment of today's labor force. At least 50 percent of women who are employed when they become pregnant return to the labor force by the time their children are three months old. Although the Pregnancy Discrimination Act was enacted in 1978 and prohibits workplace discrimination on the basis of pregnancy, childbirth, or related medical conditions, courts have not interpreted the Act to include breastfeeding.

Some employers deny women the opportunity to express milk . . . some women have been discharged for requesting to express milk during lunch and other regular breaks . . . some women have been harassed or discrimi-

nated against; some women have had their pay withheld or been taken off of shift work for saying that they wanted to pump milk.

On the other hand, many employers have seen positive results from facilitating lactation programs in the workplace, including low absenteeism, high productivity, improved company loyalty, high employee morale, and lower health care costs. Parental absenteeism due to infant illness is three times greater among the parents of formula-fed children than those that are breastfed. Worksite programs that aim to improve infant health may also bring about a reduction in parental absenteeism and health insurance costs.

There is no doubt as to the health benefit breastfeeding brings to both mothers and children. Breastmilk is easily digested and assimilated, and contains all the vitamins, minerals, and nutrients they require in their first five to six months of life. Furthermore, important antibodies, proteins, immune cells, and growth factors that can only be found in breast milk. Breastmilk is the first line of immunization defense and enhances the effectiveness of vaccines given to infants.

Research studies show that children who are not breastfed have higher rates of mortality, meningitis, some types of cancers, asthma and other respiratory illnesses, bacterial and viral infections, diarrhoeal diseases, ear infections, allergies, and obesity. Other research studies have shown that breastmilk and breastfeeding have protective effects against the development of a number of chronic diseases, including juvenile diabetes, lymphomas, Crohn's disease, celiac disease, some chronic liver diseases, and ulcerative colitis. A number of studies have shown that breastfed children have higher IQs at all ages.

This is a simple bill—it simply inserts the word “breastfeeding” in the Pregnancy Discrimination Act. It will change the law to read that employment discrimination “because of or on the basis of pregnancy, childbirth, breastfeeding, or related medication conditions” is not permitted.

I believe that it is absolutely critical to support mothers in across the country—they are, of course, raising the very future of our country. And we should ensure that the Pregnancy Discrimination Act covers this basic fundamental part of mothering.

I urge my colleagues to join me in supporting this bill.

By Ms. SNOWE:

S. 257. A bill to permit individuals to continue health plan coverage of services while participating in approved clinical studies; to the Committee on Health, Education, Labor, and Pensions.

Ms. SNOWE. Mr. President, I rise today to introduce the Improved Patient Access to Clinical Studies Act. This bill builds on progress made in the last several years in the difficult and

challenging fight against life-threatening diseases.

This bill will prohibit insurance companies from denying coverage for services provided to individuals participating in clinical trials, if those services would otherwise be covered by the plan. This bill would also prevent health plans from discriminating against enrollees who choose to participate in clinical trials.

This bill has a two-fold purpose. First, it will ensure that many patients who could benefit from these potentially life-saving experimental treatments, but currently do not have access to them because their insurance will not cover the associated costs. Second, without reimbursement for these services, our researchers' ability to conduct important research is impeded as it reduces the number of patients who seek to participate in clinical trials.

According to a report published by the General Accounting Office in September 1999, “given the uncertainty about [health insurance] approval and payment levels, patients and physicians can be discouraged from seeking prior approval from insurers” and therefore, will not attempt to enroll in what could possibly be the patients' last hope. When faced with a life-threatening disease, such as cancer, it is absolutely paramount that individuals be given every opportunity, every possibly imaginable, to fight their illness. What patients should not be faced with is the certainty of a health insurance fight.

I hope my colleagues will join me in supporting this bill which will help those suffering from life-threatening diseases and their families.

By Ms. SNOWE (for herself and Mrs. LINCOLN):

S. 258. A bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare program of annual screening pap smear and screening pelvic exams; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the Providing Annual Pap Tests to Save Women's Lives Act of 2001. I am pleased to be joined by my friend, Senator LINCOLN of Arkansas, as an original cosponsor of this bill.

According to the American Cancer Society cervical cancer is one of the most successfully treatable cancers when detected at an early stage. In fact, 88 percent of cervical cancer patients survive one year after diagnosis, and 70 percent survive five years.

In the 52 years since use of the pap test became widespread, the cervical cancer mortality rate has declined by an astonishing 70 percent. There is no question that this test is the most effective cancer screening tool yet developed. The Pap smear can detect abnormalities before they develop into cancer. Having an annual Pap smear is one of the most important things a woman can do to help prevent cervical cancer.

Congress has recognized the incomparable contribution of the Pap smear in preventing cervical cancer and nine years ago directed Medicare to begin covering preventive Pap smears. Under this law Medicare beneficiaries were eligible for one test every three years, although a more frequent interval is allowed for women at high risk of developing cervical cancer. And through the Balanced Budget Act of 1997, Congress expanded the Pap smear benefit to also include a screening pelvic exam once every three years. Last year as a part of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act, P.L. 106-544, we brought the screening down to once every other year.

However, the American Cancer Society screening guidelines recommend that all women who are or have been sexually active or who are 18 and older should have an annual Pap test and pelvic examination. After three or more consecutive satisfactory examinations with normal findings, the Pap test may be performed less frequently at the physician's discretion. Unfortunately, Medicare guidelines do not reflect this recommendation.

Women understand the usefulness and life-saving benefit of the Pap smear. The U.S. Centers for Disease Control and Prevention reported that 88.3 percent of women between the ages of 18 and 44 have received a pap test within the preceding three years. However, this rate dropped, for women age 65 and over—only 72.3 percent have received a pap test within the preceding three years.

The bill Senator LINCOLN and I are introducing today will bring Medicare guidelines in line with the American Cancer recommendations, and it will encourage Medicare beneficiaries to utilize this screening benefit more regularly.

The Pap test has contributed immeasurably to the fight against cervical cancer. We cannot risk erasing our advancements in this fight because of an inadequate Medicare screening benefit.

By Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mrs. MURRAY):

S. 259. A bill to authorize funding the Department of Energy to enhance its mission areas through Technology Transfer and Partnerships for fiscal years 2002 through 2006, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I rise today to introduce a bill authorizing the Secretary of Energy to provide for technology transfer. This bi-partisan bill which is referred to as the "National Laboratories Partnership Improvement Act of 2001" is co-sponsored by my colleagues Mr. DOMENICI and Mrs. MURRAY. Let me summarize this bill. First, I will outline the Department's commitment to science and how it has admirably worked to transfer its

technology in light of a serious resource decline. I then will discuss how tech transfer naturally complements the Department's mission oriented R&D. I will review the legislation we introduced in the last session which is a start in the right direction. I will conclude by proposing how this bill by leveraging existing efforts, should move the Department in the right direction to support technology transfer without disrupting its R&D mission focus.

The Department of Energy is about science. For FY 2001, the Department's R&D budget was roughly \$8 billion out of the \$18.3 billion appropriated. Science programs account for 43 percent of the Department's budget. In the area of the physical sciences, DOE provides roughly half of all of the federal R&D. In mathematics and computer sciences, DOE is second after the DOD. In engineering, the DOE ranks third after NASA and the DOD. DOE affiliated scientists have won more than 71 Nobel prizes for fundamental research; they garner the largest number of R&D 100 awards for applied research. The Department has more than 60 multipurpose laboratories and primary purpose facilities across the U.S. in high energy physics, materials science, nuclear science and engineering, waste management, biosciences, robotics, advanced scientific computing, micro-electronic and nanomaterials fabrication. Each year DOE labs and facilities are used by more than 18,000 researchers from universities and industry.

Yet with this surprising portfolio of research, the Department in FY 2001 only line allocates \$10 million for the transfer of technology. In 1995 this allocation was over \$200 million. That is not to say DOE is not transferring its technology. In FY 1998, which is our last set of good statistics from the Department of Commerce's Office of Technology Policy, the DOE was second only to the DOD in the number of CRADA's granted from its federal facilities, the DOD had 1424 and the DOE had 868. The in-kind funds from industry to DOE for these CRADA's averages about \$100 million while its work for others from non-federal sources was \$145 million. In FY 1998, the DOE had 168 licenses granted to use its technology, the DOD had 34 and HHS had 215. In FY 1998, the DOE had 512 patents issued on federal lab inventions while the DOD had 579, the next closest was HHS with 171. In FY 1998, 50 companies were established as a result of DOE technology transfer. To put these numbers in perspective, the DOD R&D budget for FY 1998 was \$37.5 billion, HHS' was \$13.8 billion, while DOE's was \$6.3 billion. These statistics are impressive because in FY 1998 the DOE had line allocated about 1 percent of its R&D budget to tech transfer. Today, that number is 0.14 percent of its R&D budget.

Given that tech transfer is not the Department's primary mission, the question is what is the right mix and

what is the optimal technology to transfer? For the NNSA, the primary mission is ensuring a safe and reliable nuclear stockpile. The Office of Science's primary mission is advancing the frontiers of basic R&D. The Office of Environmental Management's primary mission is cleaning up contaminated DOE sites. The Fossil Energy Program's mission is developing cleaner and more efficient fossil fuels. The list goes on. Nor do I think that tech transfer, given the above numbers will be the principal engine for direct economic growth in the tech heavy new economy. Let me explain this premise by examining the pattern of economic and technological growth in a little more detail. In the year 2000, the National Science Foundation estimates that total U.S. R&D was \$264 billion, a 7.9 percent increase over 1999 which itself was a 7.5 percent increase over 1998. Technology R&D has a growth rate exceeding 15 percent in the last two years alone. What counts is the make up of these R&D trends. In the year 2000, the industry contribution to the total R&D was \$179 billion, a 10.3 percent increase over 1999 while federal R&D grew by only 3.9 percent. Given the investment the federal government makes in R&D, technology transfer from federal labs does not contribute directly to these amazing growth rates. In industries like telecommunications and chip design, the turn around cycles from research to product ranges from 1 to 3 years. The government is simply too slow to contribute directly to industrial driven short term needs that are so clearly evident in these national trends of R&D funding. On the other end of the spectrum, basic and applied R&D are areas where industry finds it difficult to invest given the short term equity demands on their profits. The right mix then is for the government to maintain basic and applied R&D so it can transfer this knowledge to industry over the long term.

If we agree that the government best transfers long term R&D we must ask the next question which is how do the Department's mission focused R&D programs transfer technology to the private sector and how can the Department ensure its continued success with minimal disruption to its mission areas? Mission focused DOE programs like the NNSA, Environmental Management, Fossil Energy, Renewable Energy, Nuclear Energy and the Office of Science all advance the frontiers of science at different stages. All of these programs in carrying out their missions naturally perform different degrees of tech transfer. The Fossil Energy, Nuclear and Renewable programs work closely with industry and usually cannot start without an industry partner through a CRADA. The NNSA with their advanced computing requirements naturally push the state of the art in industry. CRADA's and Licenses provide to the NNSA a fresh influx of the outside world's advancing technology into their national security

missions. The Office of Science with their wonderful user facilities and broad basic energy research mandate provide a fertile R&D base by which industry can stay competitive ten years out into the future, CRADA's smooth and shorten that transition. CRADA arrangements are a natural outgrowth of the DOE mission programs. A CRADA or License simply makes the tech transfer process smoother. So the issue is not how much money do we need to line item for the formation of a CRADA or a license—the CRADA is simply a by product of a organic tech transfer process in the Department's R&D programs. The issue is what kind of organizational structure in the DOE do we need to keep track of these tech transfer activities and how to insure that it is easily accessible for potential partnerships.

If as I have just described that tech transfer occurs organically to the Department's R&D mission areas we need to ask ourselves is there an infrastructure that moves beyond the single contractual framework which a CRADA represents? Tech transfer is not so much a static contract but it is a multi-dimensional transactional process. In some select cases we should stimulate the transactional tech transfer process by regional technology clusters. Technology clusters will permit industry to locate around these wonderful pools of scientific knowledge. In turn they will build the R&D infrastructure surrounding the laboratory itself. We all too often think that the internet can solve the distance problem of connecting business transactions thus negating the need for regional technology clusters—that's actually wrong, very wrong. Successful utilization of R&D technology starts because many small business are nearby to each other in a supportive state business climate. The technology clusters that form simply use the internet to exchange ideas and data that they generate from face-to-face collaboration on short notice. People to people transactions initiate business and wealth in a rather spontaneous event; the internet is simply a tool to make it more efficient. You see such natural clustering occurring in Wall Street for financial markets, Palo Alto for information technology, Detroit for automobiles and right here in Bethesda for genetics around the NIH. Thus, enabling the formation technology clusters rather than focusing on the static contractual CRADA process should be the next step in the evolution of federal technology transfer.

The bill I am introducing today address the issues I have just outlined. It establishes a headquarters level Technology Transfer Coordinator as the Secretary's lead advocate for developing DOE technology transfer policy across its many missions. This Coordinator will collect and disseminate tech transfer data to Congress, the interagency and public. I have provided a ceiling limit of about \$1 million per

year to collect this data and prepare the reports as required by law. I have provided additional funding for the Coordinator to help out the administrative tasks associated with the Interlaboratory Technology Partnerships Working Group. This group is staffed by members from the DOE laboratories and facilities with the purpose to deconflict and disseminate publically DOE's R&D. The Interlaboratory Technology Partnerships Working Group is a powerful grass roots organization outside the beltway. This group operates at the local community and laboratory level where the technology initiates. I have designated the Coordinator as the Secretary's lead federal officer for the group's oversight by reporting its activities to Congress and the interagency. I have authorized about \$1 million a year to leverage the Technology Partnerships Working Group's activities by ensuring that it can develop the necessary web interfaces and databases by which the public can easily access DOE's technology. I have expanded the clustering bill that was introduced in the last Congress through the Defense Authorization Act from the NNSA laboratories to the entire DOE complex. This expansion will permit industry to benefit from the entire range of technology R&D across the DOE. If successful, these clusters will strengthen our experience in technology clusters; it will actively involve the state and local communities in encouraging the role that a technology infrastructure will have in their economic development. I have authorized \$10 million for these clusters while requiring a 50 percent in-kind funding contribution from the proposed partner. The clustering partner can be a state, university, R&D consortia or business entity. I have given the Secretary discretion to stop this clustering expansion if the pilot effort for the NNSA labs proves unworkable. I have authorized a small-business advocate, to support DOE wide, for what has been a lab by lab policy. Such a small business provision is needed to accommodate the unique needs for R&D collaboration of start up businesses. I have proposed modifying the Department of Energy Organization Act to make it more flexible in entering into alternative research contracts with entities such as R&D consortia. Finally, I have asked the Secretary to examine the need for a policy to move people across the lab fence to start up companies. This policy is balanced against the unique mission areas of each lab. In some cases implementing such a policy may prove unworkable based upon a lab's mission requirement. If such a policy proves unreasonable based upon a particular lab's mission, I have given Secretary the discretion not to implement it. I must emphasize though that half of tech transfer is not just a piece of technology moving across the fence but the movement of people and their know-how to a small start up. Universities are a

classic example of the movement of technology and people between their home institution and a small regional technology park. Everyone benefits from this flow in people, the start-up, the lab or facility with a more vibrant workforce surrounding it and the local economy through local high tech business start ups.

Mr. President, I want to emphasize that this is not another line item CRADA funding project, its not corporate welfare. This bill takes the tech transfer activities that are naturally occurring in all these varied science mission areas and leverages them with small amounts of funding—about 0.06 percent of DOE's overall budget.

Let me summarize once more what I have just outlined is in the proposed bill. First, a small Technology Transfer Coordinator is proposed to be the Secretary's advocate across the Department for uniform policy development and reporting. Second, a small web based interface is proposed to help the public easily access and leverage the R&D activities at all the DOE labs and facilities. Third, I've proposed to help seed small technology clusters local to the labs under merit review and with the discretion not to proceed forward if the FY 2001 NNSA pilot program proves unworkable. Technology clusters are the next evolutionary stage past a static CRADA. Fourth, I've asked the Secretary to implement, where its feasible, a policy where by laboratory personnel can move with the technology to start up a company outside the fence. Fifth, I asked the Secretary to ensure where its reasonable a uniform policy to help small businesses with their unique needs access DOE technology. Like most government programs that come under close scrutiny by Congress, their intent is worthy but the program's size oscillates greatly over time. The pendulum for tech transfer at the DOE is one such program. This program has swung from a \$200 million program in the mid 1990's to essentially zero funding in FY 2001 with a minimal headquarter's office to help policy development across its diverse mission areas. This bill establishes what I feel is the right level of tech transfer in a R&D organization by leveraging the existing industrial collaboration that naturally occurs in carrying out their missions.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 259

*Be in 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 "National Laboratories Partnership Improvement Act of 2001".

#### **SEC. 2. DEFINITIONS.**

For purposes of this Act—

(1) the term "Department" means the Department of Energy;



(2) the term "departmental mission" means any of the functions vested in the Secretary of Energy by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) or other law;

(3) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(4) the term "National Laboratory" means any of the following multi-purpose laboratories owned by the Department of Energy—

- (A) Argonne National Laboratory;
- (B) Brookhaven National Laboratory;
- (C) Idaho National Engineering and Environmental Laboratory;
- (D) Lawrence Berkeley National Laboratory;
- (E) Lawrence Livermore National Laboratory;
- (F) Los Alamos National Laboratory;
- (G) National Renewable Energy Laboratory;
- (H) Oak Ridge National Laboratory;
- (I) Pacific Northwest National Laboratory;

or

(J) Sandia National Laboratory;

(5) the term "facility" means any of the following primarily single purpose entities owned by the Department of Energy—

- (A) Ames Laboratory;
- (B) East Tennessee Technology Park;
- (C) Environmental Measurement Laboratory;
- (D) Fernald Environmental Management Project;
- (E) Fermi National Accelerator Laboratory;
- (F) Kansas City Plant;
- (G) National Energy Technology Laboratory;
- (H) Nevada Test Site;
- (I) New Brunswick Laboratory;
- (J) Pantex Weapons Facility;
- (K) Princeton Plasma Physical Laboratory;
- (L) Savannah River Technology Center;
- (M) Standard Linear Accelerator Center;
- (N) Thomas Jefferson National Accelerator Facility;
- (O) Y-12 facility at Oak Ridge National Laboratory; or

(P) other similar organization of the Department designated by the Secretary that engages in technology transfer, partnering, or licensing activities;

(6) the term "nonprofit institution" has the meaning given such term in section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(5));

(7) the term "Secretary" means the Secretary of Energy;

(8) the term "small business concern" has the meaning given such term in section 3 of the Small Business Act (15 U.S.C. 632);

(9) the term "technology-related business concern" means a for-profit corporation, company, association, firm, partnership, or small business concern that—

- (A) conducts scientific or engineering research,
  - (B) develops new technologies,
  - (C) manufactures products based on new technologies, or
  - (D) performs technological services;
- (10) the term "technology cluster" means a concentration of—

- (A) technology-related business concerns;
- (B) institutions of higher education; or
- (C) other nonprofit institutions,

that reinforce each other's performance in the areas of technology development through formal or informal relationships;

(11) the term "socially and economically disadvantaged small business concerns" has the meaning given such term in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)); and

(12) the term "NNSA" means the National Nuclear Security Administration established by title XXXII of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65).

(13) the term Technology Partnerships Working Group refers to the organization of technology transfer representatives of DOE laboratories and facilities, the purpose of which is to coordinate technology transfer activities occurring at DOE laboratories and facilities, exchange information about technology transfer practices, and develop and disseminate to the public and prospective technology partners information about DOE technology transfer opportunities and procedures.

### SEC. 3. TECHNOLOGY INFRASTRUCTURE PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary, through the appropriate officials of the Department, shall establish a Technology Infrastructure Program in accordance with this section.

(b) **PURPOSE.**—The purpose of the program shall be to improve the ability of National Laboratories or facilities to support departmental missions by—

- (1) stimulating the development of technology clusters that can support the missions of the National Laboratories or facilities;
- (2) improving the ability of National Laboratories or facilities to leverage and benefit from commercial research, technology, products, processes, and services; and
- (3) encouraging the exchange of scientific and technological expertise between National Laboratories or facilities and—
  - (A) institutions of higher education,
  - (B) technology-related business concerns,
  - (C) nonprofit institutions, and
  - (D) agencies of State, tribal, or local governments,

that can support the mission of the National Laboratories and facilities.

(c) **PROGRAM.**—In each of the first three fiscal years after the date of enactment of this section, the Secretary may provide no more than \$10,000,000 to National Laboratories or Facilities designated by the Secretary to conduct Technology Infrastructure Program Programs.

(d) **PROJECTS.**—The Secretary shall authorize the Director of each National Laboratory or facility designated under subsection (c) to implement the Technology Infrastructure Program at such National Laboratory or facility through projects that meet the requirements of subsections (e) and (f).

(e) **PROGRAM REQUIREMENTS.**—Each project funded under this section shall meet the following requirements:

- (1) **MINIMUM PARTICIPANTS.**—Each project shall at a minimum include—
  - (A) a National Laboratory or facility; and
  - (B) one of the following entities—
    - (i) a business,
    - (ii) an institution of higher education,
    - (iii) a nonprofit institution, or
    - (iv) an agency of a State, local, or tribal government.

(2) **COST SHARING.**—

(A) **MINIMUM AMOUNT.**—Not less than 50 percent of the costs of each project funded under this section be provided from non-Federal sources.

(B) **QUALIFIED FUNDING AND RESOURCES.**—

(i) The calculation of costs paid by the non-Federal sources to a project shall include cash, personnel, services, equipment, and other resources expended on the project.

(ii) Independent research and development expenses of government contractors that qualify for reimbursement under section 31-205-18(e) of the Federal Acquisition Regulations issued pursuant to section 25(c)(1) of

the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)) may be credited towards costs paid by non-Federal sources to a project, if the expenses meet the other requirements of this section.

(iii) No funds or other resources expended either before the start of a project under this section or outside the project's scope of work shall be credited toward the costs paid by the non-Federal sources to the project.

(3) **COMPETITIVE SELECTION.**—All projects where a party other than the Department or a National Laboratory or facility receives funding under this section shall, to the extent practicable, be competitively selected by the National Laboratory or facility using procedures determined to be appropriate by the Secretary or his designee.

(4) **ACCOUNTING STANDARDS.**—Any participant receiving funding under this section, other than a National Laboratory or facility, may use generally accepted accounting principles for maintaining accounts, books, and records relating to the project.

(5) **LIMITATIONS.**—No federal funds shall be made available under this section for—

- (A) construction; or
- (B) any project for more than five years.

(f) **SELECTION CRITERIA.**—

(1) **THRESHOLD FUNDING CRITERIA.**—The Secretary shall authorize the provision of Federal funds for under this section only when the Director of the National Laboratory or facility managing such a project determines that the project is likely to improve the participating National Laboratory or facility's ability to achieve technical success in meeting departmental missions.

(2) **ADDITIONAL CRITERIA.**—The Secretary shall also require the Director of the National Laboratory or facility managing a project under this section to consider the following criteria in selecting a project to receive Federal funds—

(A) the potential of the project to succeed, based on its technical merit, team members, management approach, resources, and project plan;

(B) the potential of the project to promote the development of a commercially sustainable technology cluster, one that will derive most of the demand for its products or services from the private sector, that can support the missions of the participating National Laboratory or facility;

(C) the potential of the project to promote the use of commercial research, technology, products, processes, and services by the participating National Laboratory or facility to achieve its departmental mission or the commercial development of technological innovations made at the participating National Laboratory or facility;

(D) the commitment shown by non-Federal organizations to the project, based primarily on the nature and amount of the financial and other resources they will risk on the project;

(E) the extent to which the project involves a wide variety and number of institutions of higher education, nonprofit institutions, and technology-related business concerns that can support the missions of the participating National Laboratory or facility and that will make substantive contributions to achieving the goals of the project;

(F) the extent of participation in the project by agencies of State, tribal, or local governments that will make substantive contributions to achieving the goals of the project; and

(G) the extent to which the project focuses on promoting the development of technology-related business concerns that are small business concerns or involves such small business concerns substantively in the project.

(3) **SAVINGS CLAUSE.**—Nothing in this subsection shall limit the Secretary from requiring the consideration of other criteria,

as appropriate, in determining whether projects should be funded under this section.

(g) **REPORT TO CONGRESS ON FULL IMPLEMENTATION.**—Not later than 120 days after the start of the third fiscal year after the date of enactment of this section, the Secretary shall report to Congress on whether the Technology Infrastructure Program should be continued and, if so, how the fully implemented program should be managed.

#### **SEC. 4. SMALL BUSINESS ADVOCACY AND ASSISTANCE.**

(a) **ADVOCACY FUNCTION.**—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a small business advocacy function that is organizationally independent of the procurement function at the National Laboratory or facility. The person or office vested with the small business advocacy function shall—

(1) work to increase the participation of small business concerns, including socially and economically disadvantaged small business concerns, in procurement, collaborative research, technology licensing, and technology transfer activities conducted by the National Laboratory or facility;

(2) report to the Director of the National Laboratory or facility on the actual participation of small business concerns in procurement and collaborative research along with recommendations, if appropriate, on how to improve participation;

(3) make available to small business concerns training, mentoring, and clear, up-to-date information on how to participate in the procurement and collaborative research, including how to submit effective proposals;

(4) increase the awareness inside the National Laboratory or facility of the capabilities and opportunities presented by small business concerns; and

(5) establish guidelines for the program under subsection (b) and report the effectiveness of such program to the Director of the National Laboratory or facility.

(b) **ESTABLISHMENT OF SMALL BUSINESS ASSISTANCE PROGRAM.**—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a program to provide small business concerns—

(1) assistance directed at making them more effective and efficient subcontractors or suppliers to the National Laboratory or facility; or

(2) general technical assistance, the cost of which shall not exceed \$10,000 per instance of assistance, to improve the small business concern's products or services.

(c) **USE OF FUNDS.**—None of the funds expended under subsection (b) may be used for direct grants to the small business concerns.

#### **SEC. 5. POLICY CONTINUITY FOR PARTNERSHIPS, AND TECHNOLOGY TRANSFER.**

(a) The Secretary shall establish within the Office of Policy, in conjunction with that Office's responsibilities as executive secretariat to the Department's Research and Development Council, a Technology Transfer Coordinator to perform oversight of and policy development for technology transfer activities at the Department of Energy.

(1) The Secretary through Technology Transfer Coordinator, shall to the extent feasible, insure that the recommendations from the Report as generated by the Secretary of Energy Advisory Board in Sec. 3163 of the "National Defense Authorization Act for Fiscal Year 2001" are coordinated and carried Department-wide to non-NNSA laboratories and facilities consistent with the statutory authority of the Administrator of the NNSA.

(2) No funds under Section 3(c) for partnerships shall be allocated under this Act until

the Secretary through the Technology Transfer Coordinator has submitted to Congress an implementation plan that adequately addresses concerns outlined by the Administrator of NNSA of the Technology Infrastructure Pilot Program of collaborative projects as outlined in Section 3161(b) of the "National Defense Authorization Act for Fiscal Year 2001". The Secretary shall retain the discretion to not implement the partnership program defined by Section 3 if the implementation concerns cannot be reasonably addressed.

(3) The Technology Transfer Coordinator shall prepare a report to Congress for each fiscal year of funding under this Act outlining accomplishments, anticipated shortfalls, proposed remedies and expenditure of funds related to DOE Technology Transfer. The report should address the integration of the Department's Technology Transfer efforts within the overall scope of Technology Transfer Policies within the U.S. Government.

(4) The Technology Transfer Coordinator shall be designated by the Secretary as the Senior Departmental Official responsible for liaison with, and the oversight of funds authorized in section 5(c) the Technology Partnerships Working Group. The Coordinator shall report on the Group's activities and budget in subsection (3).

(b) **AUTHORIZATION.**—The following sums are authorized to be appropriated to the Secretary of Energy, to carry out the duties of the Technology Transfer Coordinator and staff, to remain available until expended, for the purposes of carrying out this Act:

(1) \$2,500,000 for Fiscal Year 2002

(1) \$2,600,000 for Fiscal Year 2003

(1) \$2,800,000 for Fiscal Year 2004

(1) \$2,800,000 for Fiscal Year 2005

(1) \$2,800,000 for Fiscal Year 2006

(c) **POLICY DEVELOPMENT.**—of the funds authorized to be appropriated under subsection (b) the following sums are authorized to be appropriated to carry out DOE Technology Transfer Policy Development and Reporting:

(1) \$1,000,000 for Fiscal Year 2002

(2) \$1,100,000 for Fiscal Year 2003

(3) \$1,200,000 for Fiscal Year 2004

(4) \$1,200,000 for Fiscal Year 2005

(5) \$1,200,000 for Fiscal Year 2006

(d) **TECHNOLOGY PARTNERSHIPS WORKING GROUP.**—of the funds under subsection (b), the following sums are authorized to be appropriated to carry out administrative tasks DOE Technology Partnerships Working Group:

(1) \$1,400,000 for Fiscal Year 2002

(2) \$1,500,000 for Fiscal Year 2003

(3) \$1,600,000 for Fiscal Year 2004

(4) \$1,600,000 for Fiscal Year 2005

(5) \$1,600,000 for Fiscal Year 2006

#### **SEC. 6. OTHER TRANSACTIONS AUTHORITY.**

(a) **NEW AUTHORITY.**—Section 646 of the Department of Energy Organization Act (42 U.S.C. 7256) is amended adding at the end the following new subsection:

“(g) **OTHER TRANSACTIONS AUTHORITY.**—(1) In addition to other authorities granted to the Secretary to enter into procurement contracts, leases, cooperative agreements, grants, and other similar arrangements, the Secretary may enter into other transactions with public agencies, private organizations, or persons on such terms as the Secretary may deem appropriate in furtherance of basic, applied, and advanced research functions now or hereafter vested in the Secretary. Such other transactions shall not be subject to the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908).

“(2)(A) The Secretary of Energy shall ensure that—

“(i) to the maximum extent practicable, no transaction entered into under paragraph (1)

provides for research that duplicates research being conducted under existing programs carried out by the Department of Energy; and

“(ii) to the extent that the Secretary determines practicable, the funds provided by the Government under a transaction authorized by paragraph (1) do not exceed the total amount provided by other parties to the transaction.

“(B) A transaction authorized by paragraph (1) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.

“(3)(A) The Secretary shall not disclose any trade secret or commercial or financial information submitted by a non-Federal entity under paragraph (1) that is privileged and confidential.

“(B) The Secretary shall not disclose, for five years after the date the information is received, any other information submitted by a non-Federal entity under paragraph (1), including any proposal, proposal abstract, document supporting a proposal, business plan, or technical information that is privileged and confidential.

“(C) The Secretary may protect from disclosure, for up to five years, any information developed pursuant to a transaction under paragraph (1) that would be protected from disclosure under section 552(b)(4) of title 5, United States Code, if obtained from a person other than a Federal agency.”.

(b) **IMPLEMENTATION.**—Not later than six months after the date of enactment of this section, the Department shall establish guidelines for the use of other transactions. Other transactions shall be made available, if needed, in order to implement projects funded under section 3.

#### **SEC. 7. MOBILITY OF TECHNICAL PERSONNEL.**

(a) **GENERAL POLICY.**—Not later than two years after the enactment of this Act, based upon the report generated under Section 3161(a)(2) of the "National Defense Authorization Act for Fiscal Year 2001", the Secretary through the Technology Transfer Coordinator shall determine whether it is reasonable to ensure whether each contractor operating a National Laboratory or facility has policies and procedures that do not create disincentives to the transfer of scientific, technical and business personnel among the contractor-operated National Laboratory or facilities. This determination may be made on an individual laboratory or facility basis due to their varied missions.

#### **SEC. 8. CONFORMANCE WITH NNSA STATUTORY AUTHORITY.**

All actions taken by the Secretary in carrying out this Act with respect to National Laboratories and facilities that are part of the NNSA shall be through the Administrator for Nuclear Security in accordance with the requirements of title XXXII of the National Defense Authorization Act for Fiscal Year 2000.

By Ms. SNOWE:

S. 261. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decisionmaking at the National Cancer Institute; to the Committee on Health, Education, Labor and Pensions.

Ms. SNOWE. Mr. President, I rise today to reintroduce a bill which builds on progress made in the last few years in the difficult and challenging fight against breast cancer.

Our challenge was summed up by one breast cancer advocate when she stated, simply and eloquently, “We must

make our voices heard, because it is our lives."

A diagnosis of breast cancer is something that every woman dreads. Over 192,000 American women, and 1,000 in my home state of Maine—will face a diagnosis of breast cancer this year. Over 40,000 women across the country will die from this tragic disease. The fact is, one in nine women will develop breast cancer during their lifetime, and for women between the ages of 35 and 54, there is no other disease which will claim more lives.

This bill will give breast cancer advocates a voice in the National Institutes of Health's, NIH's research decision-making. The Consumer Involvement in Breast Cancer Research Act urges NIH to follow the Department of Defense's lead and include lay breast cancer advocates in breast cancer research decision-making.

The involvement of these breast cancer advocates at DOD has helped foster new and innovative breast cancer research funding designs and research projects. While maintaining the higher level of quality assurance through peer review, breast cancer advocates have helped to ensure that all breast cancer research reflects the experiences and wisdom of the individuals who have lived with the disease, as well as the scientific community.

I hope that my colleagues will join me in supporting this bill.

By Mr. CLELAND (for himself and Ms. LANDRIEU):

S. 262. A bill to provide for teaching excellence in America's classrooms and homerooms; to the Committee on Health, Education, Labor, and Pensions.

Mr. CLELAND. Mr. President, this nation was rocked by the publication, in 1983, of the landmark report, *A Nation at Risk*. The findings were devastating: Our educational system was being "eroded by a rising tide of mediocrity that threatens our future as a nation and a people." That report went on to say that if "an unfriendly foreign power" had tried to impose on America our "mediocre educational performance," we might well have viewed it "as an act of war."

*A Nation at Risk* sounded a wake-up call to our educators, parents, businesses, community leaders and officials at all levels of government. Since its publication in 1983, a number of states have strengthened their commitment to educational improvements. Many tightened high school graduation requirements. They pushed for more achievement testing for students and higher standards for teachers.

As a result of these efforts, we have seen improvement. Our dropout rate is down, and student achievement is up. Performance on the National Assessment of Educational Progress, NAEP, has increased, particularly in the key subjects of reading, math, and science. Yet still, in America, 2,800 high school students drop out every single day.

Each school year, more than 45,000 under-prepared teachers, teachers who have not even been trained in the subjects they are teaching, enter the classroom. Clearly, this is not acceptable.

The positive news is that eighteen years after *A Nation at Risk*, there is widespread agreement that the improvement of our educational system must be a priority and hope that there will be consensus on education reform. Key to the success of any effective education reform initiative is the issue of teacher quality. What teachers know and can do are the single most important influences on what students learn, according to the National Commission for Teaching and America's Future Teachers.

Three years after *A Nation at Risk*, the Carnegie Task Force on Teaching as a Profession issued a seminal report, *A Nation Prepared: Teachers for the 21st Century*. Its leading recommendation called for the establishment of a National Board for Professional Teaching Standards. Founded in 1987, the National Board for Professional Teaching Standards is an independent, non-profit, and non-partisan organization whose mission is to establish high and rigorous standards for what accomplished teachers should know and be able to do.

To date, over 9,500 teachers from all 50 states and the District of Columbia have completed advanced certification by the National Board for Professional Teaching Standards—the most rigorous assessment process that a teacher can go through and the highest professional credential in the field of teaching. And more than 12,000 teachers have applied for National Board Certification in the 2000–2001 school year. Recognizing the value of qualified teachers in the classroom, 39 states and 181 local school districts have enacted financial incentives for teachers seeking National Board Certification, including fee support to candidates and salary increases for teachers who successfully complete the certification process.

Georgia, for example, provides a 10 percent salary increase to teachers who achieve National Board Certification as well as full reimbursement of the \$2300 fee upon certification. The State of Louisiana provides an annual salary adjustment of \$5,000 for its National Board Certified Teachers, NBCTs, and in addition, the State Board of Elementary and Secondary Education has allocated a \$300,000 supplement over a three-year period to provide fee support for National Board Certification. North Carolina, which has over 2,400 National Board Certified Teachers, has a particularly strong support program. Among its incentives, the State pays the fee for up to 1,500 teachers who complete the National Board Certification process; offers up to three days of release time for candidates to work on their portfolios and prepare for the assessment center exercises; and provides a 12 percent salary increase for

those who achieve National Board Certification. Florida, with 1,267 National Board Certified Teachers, has passed legislation appropriating \$12 million to pay 90 percent of its candidates' certification fee. In addition, the State provides a 10 percent salary increase for the life of the certificate and an additional 10 percent bonus to those who mentor newly hired teachers or serve as support mentors for advanced certification candidates. Florida also provides \$150 to candidates to offset National Board Certification expenses.

The incentives offered by Georgia, Louisiana, North Carolina, Florida and the remaining 35 states clearly demonstrate that state leaders recognize and understand the value and contribution of National Board Certification to their own efforts to enhance quality teaching and improve school performance. In an effort to assist states' efforts and to encourage participation, the 1994 Improving America's Schools Act authorized federal assistance to the National Board for Professional Teaching Standards. To date, the Board has provided over \$18 million to the states according to a formula based on teacher population. In FY 2000, \$2.5 million was appropriated to help states and local schools districts subsidize the certification fee for National Board Certified candidates.

In each and every year since funding was authorized, candidate demand has outpaced the money available. Therefore in an effort to encourage and promote teacher quality in the classroom, I am joined today by my colleague, Senator LANDRIEU, in introducing the Teaching Excellence in America's Classrooms and Homerooms (TEACH) Act. According to a new study by the National Education Association, teacher salaries have remained stagnant over the past decade, and two-thirds of the states do not meet the national average of \$40,582 for teacher salaries. Therefore to help teachers pay the \$2300 certification fee, our bill would double the candidate subsidy funding, from the current \$2.5 million to \$5 million. Further, our legislation would provide an additional \$1 million for outreach and educational activities to heighten teachers' awareness of the National Board Certification process, with a priority given to teachers in school districts serving special populations, including limited English proficient children, children with disabilities, and economically and educationally disadvantaged children.

Teachers who successfully complete the arduous requirements for National Board Certification should not be penalized. Therefore, our legislation would provide that any financial benefit, such as a bonus, which a teacher receives solely as a result of achieving National Board Certification would be tax-free. And teachers who pay out of pocket expenses for advanced certification, such as fees, travel, and supplies, should be reimbursed for these costs. The Teaching Excellence in

America's Classrooms and Homerooms would allow candidates to take an above-the-line deduction for their certification expenses. This will allow these teachers who do not itemize their deductions to still be able to benefit from tax-favored treatment for their National Board Certification.

A study by researchers at the University of North Carolina at Greensboro has recently concluded that teachers who are certified by the National Board for Professional Teaching Standards significantly outperform their peers who are not National Board Certified on 11 of 13 key measures of teaching expertise, including an extensive knowledge of subject matter, the capacity to create optimal environments for learning, and the ability to inspire students and to promote in them problem-solving skills. The Accomplished Teaching Validation Study, released in October, was originally designed as a means to seek independent validation for the National Board's assessment process, and it is based on criteria which two decades of research have deemed to be the measures of effective teaching. Among its conclusions, the study found that nearly three-quarters of the National Board Certified Teachers produced students whose work reflected deep understanding of the subject being studied compared with less than one-quarter of non-certified teachers. The Greensboro study is believed by some education leaders to be the first step in compiling research that will shed important light on the connection between accomplished teaching and student learning.

Christa McAuliffe, selected to be the first schoolteacher to travel in space, described simply but poetically the awesome potential of her vocation: "I touch the future," she said. "I teach." If we are to improve student achievement and success in school, the United States must encourage and support the training and development of our nation's teachers, the single most important in-school influence on student learning. Investing in teacher quality is a direct investment in quality education—and as Benjamin Franklin said, "on education all our lives depend."

I ask unanimous consent that the text of the bill and the letter of support from the National Education Association be printed in the RECORD.

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

S. 262

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

#### **TITLE I—NATIONAL BOARD CERTIFICATION ASSISTANCE**

##### **SEC. 101. NATIONAL BOARD CERTIFICATION ASSISTANCE.**

Part A of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621 et seq.) is amended by adding at the end the following:

##### **"SEC. 2104. NATIONAL BOARD CERTIFICATION ASSISTANCE.**

"(a) **SHORT TITLE.**—This section may be cited as the 'Teaching Excellence in Amer-

ica's Classrooms and Homerooms Act' (TEACH).

"(b) **FINDINGS.**—Congress makes the following findings:

"(1) Accomplished teachers are an essential resource for schools and key to the success of any effective education reform initiative. What teachers know and can do are the most important influences on what students learn, according to national studies.

"(2) Three years after the landmark 1983 report, 'A Nation at Risk', the Carnegie Task Force on Teaching as a Profession issued a seminal report entitled 'A Nation Prepared: Teachers for the 21st Century'. Its leading recommendation called for the establishment of a National Board for Professional Teaching Standards. Founded in 1987, the National Board for Professional Teaching Standards is an independent, nonprofit and nonpartisan organization whose mission is to establish high and rigorous standards for what accomplished teachers should know and be able to do.

"(3) Over 9,500 teachers from all 50 States and the District of Columbia have completed advanced certification by the National Board for Professional Teaching Standards, which certification is the most rigorous assessment process that a teacher can go through and the highest professional credential in the field of teaching. And more than 12,000 teachers have applied for National Board Certification in the 2000–2001 school year.

"(4) Teacher salaries have remained stagnant over the past decade, according to a new study by the National Education Association, and % of the States do not meet the national average of \$40,582 for teacher salaries.

"(5) The full fee for National Board Certification is \$2,300. Thirty-nine States and 181 local school districts have enacted financial incentives for teachers seeking National Board Certification, including fee support to candidates and salary increases for teachers who achieve National Board Certification.

"(6) Recent data from the Accomplished Teaching Validation Study have demonstrated that teachers who are certified by the National Board for Professional Teaching Standards significantly outperform their peers who are not National Board Certified on 11 of 13 key measures of teaching expertise.

"(7) If we are to improve student achievement and success in school, the United States must encourage and support the training and development of our Nation's teachers, who are the single, most important in-school influence on student learning.

"(c) **PURPOSE.**—The purpose of this section is to provide a Federal subsidy and support to certain elementary school and secondary school teachers who pursue advanced certification provided by the National Board for Professional Teaching Standards.

"(d) **DEFINITIONS.**—In this section:

"(1) **BOARD.**—The term 'Board' means the National Board for Professional Teaching Standards.

"(2) **ELIGIBLE TEACHER.**—The term 'eligible teacher' means an individual who is a pre-kindergarten or early childhood educator, or a kindergarten through grade 12 classroom teacher, instructor, counselor, or principal in an elementary school or secondary school on a full-time basis.

"(e) **PROGRAM AUTHORIZATION.**—

"(1) **PROGRAM AUTHORIZED.**—From sums appropriated pursuant to the authority of subsection (g) for any fiscal year, the Secretary, in accordance with this section, shall provide financial assistance to the National Board for Professional Teaching Standards, in order to pay the Federal share of the costs of the authorized activities described in subsection (f).

"(f) **AUTHORIZED ACTIVITIES.**—

"(1) **IN GENERAL.**—Federal funds received under this section may be used only for the following activities:

"(A) To help States and local school districts provide fee support to teachers seeking National Board Certification.

"(B) For outreach and educational activities directly related to teachers' awareness and pursuit of National Board Certification.

"(2) **PRIORITIES.**—The Board shall give priority to providing outreach and educational activities under paragraph (1)(B) among the following:

"(A) School districts in which there are a significant number of low-performing schools.

"(B) School districts with low teacher participation rates in the National Board Certification process.

"(C) School districts serving special populations, including—

"(i) limited English proficient children;

"(ii) gifted and talented children;

"(iii) children with disabilities; and

"(iv) economically and educationally disadvantaged children.

"(g) **AUTHORIZATION OF APPROPRIATIONS; ALLOCATION.**—

"(1) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there are authorized to be appropriated \$6,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) **ALLOCATION.**—Of the amounts appropriated under paragraph (1) for any fiscal year, the Secretary shall make available—

"(A) 85 percent of such amounts to carry out subsection (f)(1)(A); and

"(B) 15 percent of such amounts to carry out subsection (f)(1)(B)."

#### **TITLE II—TAX INCENTIVES FOR TEACHER CERTIFICATIONS**

##### **SEC. 201. EXCLUSION OF CERTAIN AMOUNTS RECEIVED BY CERTIFIED TEACHERS.**

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

##### **"SEC. 139. CERTAIN AMOUNTS RECEIVED BY CERTIFIED TEACHERS.**

"(a) **IN GENERAL.**—In the case of an eligible teacher, gross income shall not include the value of any eligible financial benefit received during the taxable year.

"(b) **ELIGIBLE TEACHER.**—For purposes of this section—

"(1) **IN GENERAL.**—The term 'eligible teacher' means an individual who is a pre-kindergarten or early childhood educator, or a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

"(2) **ELEMENTARY AND SECONDARY SCHOOLS.**—The terms 'elementary school' and 'secondary school' have the respective meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965.

"(c) **ELIGIBLE FINANCIAL BENEFIT.**—For purposes of this section, the term 'eligible financial benefit' means any financial benefit, including incentive payment, received solely by reason of the successful completion by the eligible teacher of the requirements for advanced certification provided by the National Board for Professional Teaching Standards. Such completion shall be verified in such manner as the Secretary shall prescribe by regulation.

"(d) **AMOUNTS MUST BE REASONABLE.**—Amounts excluded under subsection (a) shall

include only amounts which are reasonable.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 3401(a)(19) of the Internal Revenue Code of 1986 is amended by striking “117 or 132” and inserting “117, 132, or 139”.

(2) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 139 and inserting the following new items:

“Sec. 139. Certain amounts received by certified teachers.

“Sec. 140. Cross references to other Acts.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 202. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED ADVANCED CERTIFICATION EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (defining miscellaneous itemized deductions) is amended by striking “and” at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting “, and”, and by adding at the end the following new paragraph: “(13) any deduction allowable for the qualified advanced certification expenses paid or incurred by an eligible teacher (as defined in section 139(b)).”.

(b) DEFINITIONS.—Section 67 of the Internal Revenue Code of 1986 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

“(g) QUALIFIED ADVANCED CERTIFICATION EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (b)(13), the term ‘qualified advanced certification expenses’ means expenses—

“(1) for fees, supplies, equipment, transportation, and lodging required to secure the advanced certification provided by the National Board for Professional Teaching Standards, and

“(2) with respect to which a deduction is allowable under section 162 (determined without regard to this section).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

NATIONAL EDUCATION ASSOCIATION,

Washington, DC, February 5, 2001.

Senator MAX CLELAND,

U.S. Senate,

Washington, DC.

DEAR SENATOR CLELAND: On behalf of the National Education Association's (NEA) 2.6 million members, we would like to express our support for the Teaching Excellence in America's Classrooms and Homerooms (TEACH) Act. We believe this legislation will make a critical difference in allowing teachers to pursue National Board Certification and, thereby, ensuring the highest quality teachers in our nation's classrooms.

As you know, no single factor will have a greater impact on improving student achievement than the quality of our nation's teaching force. National Board Certification offers the highest credential in the teaching profession, taking teachers through a rigorous assessment and evaluation process. An October 2000 study found that Board Certified teachers significantly outperformed their peers on 11 of 13 measures of teaching expertise. In addition, the study found that 74 percent of work samples from students of Certified teachers reflected “high levels of comprehension,” compared with 29 percent of students whose teachers did not have national certification.

Unfortunately, the high cost prohibits many teachers from seeking Board Certifi-

cation. By providing funding to states and local districts to help teachers pay Board Certification fees, your legislation will enable more teachers to participate in this important process. In addition, the resources provided for outreach will help bring information about Board Certification to many more teachers.

We thank you for your leadership in introducing the TEACH Act and look forward to working with you in support of our nation's teachers.

Sincerley,

MARY ELIZABETH TEASLEY,  
Director of Government Relations.

By Ms. SNOWE (for herself and Mr. TORRICELLI):

S. 263. A bill to amend title 5, United States Code, to ensure that coverage of bone mass measurements is provided under the health benefits program for Federal employees; to the Committee on Governmental Affairs.

S. 264. A bill to amend title XVIII of the Social Security Act to expand coverage of bone mass measurements under part B of the medicare program to all individuals at clinical risk for osteoporosis; to the Committee on Governmental Affairs.

Ms. SNOWE. Mr. President, I rise today to introduce two bills which build on progress made in the last few years in the difficult and challenging fight against osteoporosis. I am pleased to be joined by my friend, Senator TORRICELLI of New Jersey, as an original cosponsor of these bills.

Osteoporosis is a major public health problem affecting 28 million Americans, who either have the disease or are at risk due to low bone mass. Osteoporosis causes 1.5 million fractures annually at a cost of \$13.8 billion—\$38 million per day—in direct medical expenses. In their lifetime, one in two women and one in eight men over the age of 50 will fracture a bone due to osteoporosis. Amazingly, a woman's risk of a hip fracture is equal to her combined risk of contracting breast, uterine, and ovarian cancer.

Osteoporosis is largely preventable and thousands of fractures could be avoided if low bone mass were detected early and treated. Though we now have drugs that promise to reduce fractures by 50 percent and new drugs have been proven to actually rebuild bone mass, a bone mass measurement is needed to diagnose osteoporosis and determine one's risk for future fractures.

And we have learned that there are some prominent risk factors: age, gender, race, a family history of bone fractures, early menopause, risky health behaviors such as smoking and excessive alcohol consumption, and some medications all have been identified as contributing factors to bone loss. But identification of risk factors alone cannot predict how much bone a person has and how strong bone is.

Congress passed the Balanced Budget Act 3½ years ago. In doing so, we dramatically expanded coverage of osteoporosis screening through bone mass measurements for Medicare beneficiaries.

Since we passed this law, we have learned that under the current Medicare law, it is very difficult for a man to be reimbursed for a bone mass measurement test. Each year, men suffer one-third of all the hip fractures that occur, and one-third of these men will not survive more than one year. In addition to hip fracture, men also experience painful and debilitating fractures of the spine, wrist, and other bones due to osteoporosis.

The first bill we are introducing today, the Medicare Osteoporosis Measurement Act, would help all individuals enrolled in Medicare to receive the necessary tests if they are at risk for osteoporosis.

Currently, Medicare guidelines allow for testing in five categories of individuals—and most “at risk” men do not fall into any of them. The first category in the guidelines is for “an estrogen-deficient woman at clinical risk for osteoporosis.” The Medicare Osteoporosis Measurement Act changes this guideline to say that “an individual, including an estrogen-deficient woman, at clinical risk for osteoporosis” will be eligible for bone mass measurement. This change—of just a few words—will vastly increase the opportunities for men to be covered for the important test.

The second bill Senator TORRICELLI and I are introducing today is similar to the Medicare bone mass measurement benefit. The Osteoporosis Federal Employee Health Benefits Standardization Act guarantees the same uniformity of coverage to Federal employees and retirees as Congress provided to Medicare beneficiaries in 1997.

Unfortunately, coverage of bone density tests under the Federal Employee Health Benefit Program, FEHBP, is inconsistent. Instead of a comprehensive national coverage policy, FEHBP leaves it to each of the almost 300 participating plans to decide who is eligible to receive a bone mass measurement and what constitutes medical necessity. Many plans have no specific rules to guide reimbursement and cover the tests on a case-by-case basis. Some plans refuse to provide consumers with information indicating when the plan covers the test and when it does not and some plans cover the test only for people who already have osteoporosis.

Mr. President, we know that osteoporosis is highly preventable, but only if it is discovered in time. There is simply no substitute for early detection. These bills will ensure that all Medicare beneficiaries at risk for osteoporosis will be able to be tested for this disease, and will standardize coverage for bone mass measurement under the FEHBP.

I hope that our colleagues will join Senator TORRICELLI and me in supporting these bills.

By Mr. FITZGERALD (for himself, Mr. BAYH, Mr. BROWNBACK, Mr. KOHL, and Mr. DURBIN):

S. 265. A bill to prohibit the use of, and provide for remediation of water contaminated by, methyl tertiary butyl ether; to the Committee on Environment and Public Works.

Mr. FITZGERALD. Mr. President, I rise today to introduce the "MTBE Elimination Act of 2001." I thank my colleagues—Senators BAYH, BROWNBACK, KOHL, and DURBIN for joining me as original co-sponsors of this important legislation. I have become deeply concerned by the use and ultimate misuse of the gasoline additive methyl tertiary butyl ether, MTBE, a nonrenewable fuel derivative, and its potential adverse health effects on those who come in contact with it. As my colleagues may remember, I introduced the "MTBE Elimination Act of 2000" last Congress, but no action was taken in the 106th Congress to eliminate the use of this potentially hazardous chemical additive.

Specifically, the "MTBE Elimination Act of 2001" will phase out MTBE use across the United States over the next three years, ensure proper labeling of all fuel dispensaries containing MTBE enriched reformulated gasoline, provide grant awards for MTBE research, and express the sense of the Senate that the Administrator of the Environmental Protection Agency should provide assistance to municipalities to test for MTBE in drinking water sources, as well as provide remediation where appropriate. This bill represents an important first step toward nationwide safe and healthy drinking water.

Despite the potential damaging effects of MTBE, research of this chemical is still in its preliminary stages. In February of 1996, the Health Effects Institute reported that MTBE could be classified as a neurotoxicant for its acute impairment effects on humans. Further, the Alaska Department of Health and Social Services and the Centers for Disease Control from December 1992 through February 1993 monitored concentrations of MTBE in the air and in the blood of humans. These studies showed that people with a higher concentration of MTBE in their bloodstream have a much greater tendency toward headaches, eye irritation, nausea, disorientation, and vomiting. Finally, the January 16, 2000 broadcast of the "60 Minutes" show noted, "the EPA's position is that MTBE is a possible human carcinogen." Mr. President, we must remove this kind of chemical from our Nation's drinking water supply.

Widespread pollution of water systems by MTBE has been perpetuated by a lack of knowledge, as well as indifference, to this potentially hazardous substance. MTBE does not readily attach to soil particles, nor does it naturally biodegrade, making its movement from gasoline to water extremely rapid. The physical properties of MTBE, coupled with its potential adverse health effects, make the use of this specific oxygenate dangerous to the American people.

The elimination of the use of MTBE in reformulated gasoline should not mean the removal of the oxygenate requirement set forth under the Clean Air Act of 1990—which requires reformulated gasoline to contain two percent oxygen by weight. I believe it to be reasonable for our nation to expect both clean air and clean water, without having to eliminate the reformulated gasoline market or sacrifice our national health.

According to the United States Department of Agriculture study entitled "Economic Analysis of Replacing MTBE with Ethanol in the United States," replacing MTBE with the corn-based oxygenate additive ethanol would create approximately 13,000 new jobs in rural America, increase farm income by more than \$1 billion annually over the next ten years, and reduce farm program costs and loan deficiency payments through an expanded value-added market for grain. Furthermore, the U.S. Department of Agriculture has concluded that within three years, ethanol can be used as a substitute oxygenate for MTBE in nationwide markets without price increases or supply disruptions.

Ethanol has proven to be a viable, environmentally-friendlier alternative to MTBE. The Chicago reformulated gas program (RFG) has used ethanol for years, and according to the American Lung Association, Chicago has established one of the most successful RFG programs in the country. Ethanol is vitally important to my home state since Illinois is the number one producer of ethanol in the nation. Each year, 274 million bushels of Illinois corn are used to produce about 678 million gallons of ethanol. At a time when agricultural prices are at near-record lows, this increased demand is sorely needed.

Recently, Tosco Corporation, one of the nation's largest independent oil refiners and marketers, announced its intention to sell ethanol-blended fuel from its 1,600 retail outlets throughout California. This decision will result in the replacement of MTBE with ethanol in one-fifth of California's reformulated gasoline by the end of this year, thereby helping to protect California's water supply for future generations, while keeping its air clean. The bill that I introduce today paves the way for this important bio-based fuel to be used not only in California and the Midwest, but nationwide. By supporting bio-based fuel through legislative measures such as this bill, we are taking positive and decisive steps toward cleaning our nation's water, and the environment we will leave for our children and grandchildren.

This legislation will send a signal that the Senate strongly supports bio-based fuels research and recognizes the need to find viable ways to reduce our dependency on fossil fuels.

Through research programs, localized testing, and proper labeling we can help assure that MTBE is properly identified in gasoline, extracted from

groundwater, and phased out of use thereby reducing the risk of future MTBE contamination.

By phasing out MTBE over a three year period and replacing it with ethanol, we can help secure an ample supply of reformulated gasoline, clean water, and clean air for future generations. This bill should enjoy bipartisan support. I urge my colleagues to join me in co-sponsoring this bill that is so important to the well being of the environment as well as our nation's farmers.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 265

*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 "MTBE Elimination Act".

#### SEC. 2. FINDINGS; SENSE OF THE SENATE.

(a) FINDINGS.—Congress finds that—

(1) a single cup of MTBE, equal to the quantity found in 1 gallon of gasoline oxygenated with MTBE, renders all of the water in a 5,000,000-gallon well undrinkable;

(2) the physical properties of MTBE allow MTBE to pass easily from gasoline to air to water, or from gasoline directly to water, but MTBE does not—

(A) readily attach to soil particles; or

(B) naturally degrade;

(3) the development of tumors and nervous system disorders in mice and rats has been linked to exposure to MTBE and tertiary butyl alcohol and formaldehyde, which are 2 metabolic byproducts of MTBE;

(4) reproductive and developmental studies of MTBE indicate that exposure of a pregnant female to MTBE through inhalation can—

(A) result in maternal toxicity; and

(B) have possible adverse effects on a developing fetus;

(5) the Health Effects Institute reported in February 1996 that the studies of MTBE support its classification as a neurotoxicant and suggest that its primary effect is likely to be in the form of acute impairment;

(6) people with higher levels of MTBE in the bloodstream are significantly more likely to report more headaches, eye irritation, nausea, dizziness, burning of the nose and throat, coughing, disorientation, and vomiting as compared with those who have lower levels of MTBE in the bloodstream;

(7) available information has shown that MTBE significantly reduces the efficiency of technologies used to remediate water contaminated by petroleum hydrocarbons;

(8) the costs of remediation of MTBE water contamination throughout the United States could run into the billions of dollars;

(9) although several studies are being conducted to assess possible methods to remediate drinking water contaminated by MTBE, there have been no engineering solutions to make such remediation cost-efficient and practicable;

(10) the remediation of drinking water contaminated by MTBE, involving the stripping of millions of gallons of contaminated ground water, can cost millions of dollars per municipality;

(11) the average cost of a single industrial cleanup involving MTBE contamination is approximately \$150,000;



(12) the average cost of a single cleanup involving MTBE contamination that is conducted by a small business or a homeowner is approximately \$37,000;

(13) the reformulated gasoline program under section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) has resulted in substantial reductions in the emissions of a number of air pollutants from motor vehicles, including volatile organic compounds, carbon monoxide, and mobile-source toxic air pollutants, including benzene;

(14) in assessing oxygenate alternatives, the Blue Ribbon Panel of the Environmental Protection Agency determined that ethanol, made from domestic grain and potentially from recycled biomass, is an effective fuel-blending component that—

(A) provides carbon monoxide emission benefits and high octane; and

(B) appears to contribute to the reduction of the use of aromatics, providing reductions in emissions of toxic air pollutants and other air quality benefits;

(15) the Department of Agriculture concluded that ethanol production and distribution could be expanded to meet the needs of the reformulated gasoline program in 4 years, with negligible price impacts and no interruptions in supply; and

(16) because the reformulated gasoline program is a source of clean air benefits, and ethanol is a viable alternative that provides air quality and economic benefits, research and development efforts should be directed to assess infrastructure and meet other challenges necessary to allow ethanol use to expand sufficiently to meet the requirements of the reformulated gasoline program as the use of MTBE is phased out.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Administrator of the Environmental Protection Agency should provide technical assistance, information, and matching funds to help local communities—

(1) test drinking water supplies; and

(2) remediate drinking water contaminated with methyl tertiary butyl ether.

#### SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) ELIGIBLE GRANTEE.—The term “eligible grantee” means—

(A) a Federal research agency;

(B) a national laboratory;

(C) a college or university or a research foundation maintained by a college or university;

(D) a private research organization with an established and demonstrated capacity to perform research or technology transfer; or

(E) a State environmental research facility.

(3) MTBE.—The term “MTBE” means methyl tertiary butyl ether.

#### SEC. 4. USE AND LABELING OF MTBE AS A FUEL ADDITIVE.

Section 6 of the Toxic Substances Control Act (15 U.S.C. 2605) is amended by adding at the end the following:

“(f) USE OF METHYL TERTIARY BUTYL ETHER.—

“(1) PROHIBITION ON USE.—Effective beginning on the date that is 3 years after the date of enactment of this subsection, a person shall not use methyl tertiary butyl ether as a fuel additive.

“(2) LABELING OF FUEL DISPENSING SYSTEMS FOR MTBE.—Any person selling oxygenated gasoline containing methyl tertiary butyl ether at retail shall be required under regulations promulgated by the Administrator to label the fuel dispensing system with a notice that—

“(A) specifies that the gasoline contains methyl tertiary butyl ether; and

“(B) provides such other information concerning methyl tertiary butyl ether as the Administrator determines to be appropriate.

“(3) REGULATIONS.—As soon as practicable after the date of enactment of this subsection, the Administrator shall establish a schedule that provides for an annual phased reduction in the quantity of methyl tertiary butyl ether that may be used as a fuel additive during the 3-year period beginning on the date of enactment of this subsection.”.

#### SEC. 5. GRANTS FOR RESEARCH ON MTBE GROUND WATER CONTAMINATION AND REMEDIATION.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—There is established a MTBE research grants program within the Environmental Protection Agency.

(2) PURPOSE OF GRANTS.—The Administrator may make a grant under this section to an eligible grantee to pay the Federal share of the costs of research on—

(A) the development of more cost-effective and accurate MTBE ground water testing methods;

(B) the development of more efficient and cost-effective remediation procedures for water sources contaminated with MTBE; or

(C) the potential effects of MTBE on human health.

(b) ADMINISTRATION.—

(1) IN GENERAL.—In making grants under this section, the Administrator shall—

(A) seek and accept proposals for grants;

(B) determine the relevance and merit of proposals;

(C) award grants on the basis of merit, quality, and relevance to advancing the purposes for which a grant may be awarded under subsection (a); and

(D) give priority to those proposals the applicants for which demonstrate the availability of matching funds.

(2) COMPETITIVE BASIS.—A grant under this section shall be awarded on a competitive basis.

(3) TERM.—A grant under this section shall have a term that does not exceed 4 years.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2005.

By Mr. SMITH of Oregon (for himself and Mr. WYDEN):

S. 266. A bill regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon; to the Committee on Indian Affairs.

Mr. WYDEN. Mr. President, I rise as the original cosponsor of the Pelton Dam Agreement legislation introduced today by my friend and colleague from Oregon, Senator GORDON SMITH.

This legislation sanctions an historic agreement, reached on April 12, 2000, between the Oregon Confederated Tribes of the Warm Springs Reservation, Warm Springs, Portland General Electric Company, PGE, and the United States Department of the Interior (Department). This agreement is important because it sets a responsible precedent for the joint ownership and operation of the Pelton-Round Butte Hydroelectric Project located in Jefferson County, Oregon, on the Deschutes River. It also provides a model for how the United States, Indian tribes and private companies can work together to solve contentious issues.

Beginning in the summer of 1998, the Warm Springs and PGE began negotiations to settle Pelton Dam Project ownership and operation issues. Approximately one-third of the Project lands are located on the Warm Springs Reservation. Because of the Department's legal trust responsibility to the Warm Springs, Department representatives also participated in the negotiations. On April 12, 2000, Department, Warm Springs and PGE representatives signed the Long Term Global Settlement and Compensation Agreement (Agreement). The Agreement creates shared ownership responsibilities and benefits between PGE and the Warm Springs for all three Pelton Project dams and facilities located both on and off the Warm Springs Reservation.

The Warm Springs, PGE and the Department worked with myself and Senator SMITH to carefully craft this legislation to authorize the Department to sanction the Agreement. This legislation provides Federal approval for only the aspects of the Agreement that affect tribal lands, resources, or other tribal assets. Section 2(b)(1) makes it clear that the legislation does not affect the normal Federal and State regulatory approvals that would be required for an agreement of this type. Section 2(b)(2) was included to address a Departmental concern that this legislation will not be interpreted to mean that legislative approval of future similar agreements will be necessary. In addition, this bill authorizes a 99-year leasing authority for the Warm Springs that is shared by countless other tribes.

This bill is supported by PGE, the Warm Springs Tribe and Jefferson County.

By Mr. AKAKA (for himself, Mr. REID, Mr. LEVIN, Mr. SCHUMER, Mr. GRAHAM, Mr. GREGG, Mr. TORRICELLI, Mrs. BOXER, and Mr. SMITH of New Hampshire):

S. 267. A bill to amend the Packers and Stockyards Act of 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. AKAKA. Mr. President, today I am reintroducing the Downed Animal Protection Act, a bill to eliminate inhumane and improper treatment of downed animals at stockyards. Senators CARL LEVIN, CHARLES SCHUMER, ROBERT TORRICELLI, JUDD GREGG, BOB GRAHAM, BOB SMITH, HARRY REID and BARBARA BOXER have joined me in sponsoring this bill. The legislation will prohibit the sale or transfer of downed animals unless they have been humanely euthanized.

Downed animals are severely distressed recumbent animals that are too sick to rise or move on their own. Once an animal becomes immobile, it must remain where it has fallen, often without receiving the most basic assistance. Many of these downed animals

that survive the stockyard are slaughtered for human consumption.

These animals are extremely difficult, if not impossible, to handle humanely. They have very demanding needs, and must be fed and watered individually. The suffering of downed animals is so severe that the only humane solution to their plight is immediate euthanasia. It is important to note that downed animals compromise a tiny fraction, less than one-tenth of one percent, of animals at stockyards. Banning their sale or transfer would cause no economic hardship.

While I commend the major livestock organizations such as the United Stockyards Corp., the Minnesota Livestock Marketing Association, the National Pork Producers Council, the Colorado Cattlemen's Association, and the Independent Cattlemen's Association of Texas, along with responsible and conscientious livestock producers throughout the country, for their efforts to address the issue of downed animals, this lamentable problem still exists. Not only is this suffering inhumane and unnecessary, it is eroding public confidence in the industry.

The Downed Animal Protection Act will prompt stockyards to refuse crippled and distressed animals, and will make the prevention of downed animals a priority for the livestock industry. The bill will complement and reinforce the industry's effort to address this problem by encouraging better care of animals at farms and ranches.

The bill will remove the incentive for sending downed animals to stockyards in the hope of receiving some salvage value for the animals and would encourage greater care during loading and transport. By eliminating this incentive, animals with impaired mobility will receive better treatment in order to prevent them from becoming incapacitated. In addition, the bill will also discourage improper breeding practices that account for most downed animals.

My legislation would set a uniform national standard, thereby removing any unfair advantages that might result from differing standards throughout the industry. Furthermore, no additional bureaucracy will be needed as a consequence of my bill because inspectors of the Packers and Stockyard Administration regularly visit stockyards to enforce existing regulations. Thus, the additional burden on the agency and stockyard operators will be insignificant.

As I stated before, this bill will stop the inhumane and improper treatment of downed animals at stockyards and I encourage my colleagues to support this important legislation. 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. 267

*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 "Downed Animal Protection Act".

#### SEC. 2. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

(a) IN GENERAL.—Title III of the Packers and Stockyards Act, 1921, is amended by inserting after section 317 (7 U.S.C. 217a) the following:

#### "SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

"(a) DEFINITIONS.—In this section:

"(1) HUMANELY EUTHANIZED.—The term 'humanely euthanized' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

"(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

"(b) UNLAWFUL PRACTICES.—It shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) takes effect 1 year after the date of the enactment of this Act.

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall issue regulations to carry out the amendment.

#### ADDITIONAL COSPONSORS

S. 29

At the request of Mr. BOND, the names of the Senator from Virginia (Mr. WARNER) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 29, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 38

At the request of Mr. INOUE, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 38, a bill to amend title 10, United States Code, to permit former members of the Armed Forces who have a service-connected disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are entitled to travel on such aircraft.

S. 41

At the request of Mr. HATCH, the names of the Senator from Mississippi (Mr. COCHRAN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Ms. STABENOW), the Senator from Connecticut (Mr. DODD), the Senator from Virginia (Mr. WARNER), the Senator from Oregon (Mr. WYDEN), and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 41, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

S. 60

At the request of Mr. BYRD, the names of the Senator from Ohio (Mr. VOINOVICH), the Senator from Ohio (Mr. DEWINE), the Senator from Wyoming (Mr. ENZI), and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 60, a bill to authorize the Department of Energy programs to develop and implement an accelerated research and development program for advanced clean coal technologies for use in coal-based electricity generating facilities and to amend the Internal Revenue Code of 1986 to provide financial incentives to encourage the retrofitting, repowering, or replacement of coal-based electricity generating facilities to protect the environment and improve efficiency and encourage the early commercial application of advanced clean coal technologies, so as to allow coal to help meet the growing need of the United States for the generation of reliable and affordable electricity.

S. 88

At the request of Mr. ROCKEFELLER, the name of the Senator from Kansas (Mr. BROWNBACK) was withdrawn as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 110

At the request of Mr. FEINGOLD, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 110, a bill to repeal the provision of law that provides automatic pay adjustments for Members of Congress.

S. 122

At the request of Mr. CAMPBELL, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 122, a bill to prohibit a State from determining that a ballot submitted by an absent uniformed services voter was improperly or fraudulently cast unless that State finds clear and convincing evidence of fraud, and for other purposes.

S. 123

At the request of Mrs. FEINSTEIN, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 123, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 126

At the request of Mr. CLELAND, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 126, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 131

At the request of Mr. JOHNSON, the names of the Senator from Nevada (Mr. REID), the Senator from Louisiana (Ms.

LANDRIEU), the Senator from Mississippi (Mr. LOTT), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. 131, a bill to amend title 38, United States Code, to modify the annual determination of the rate of the basic benefit of active duty educational assistance under the Montgomery GI Bill, and for other purposes.

S. 135

At the request of Mrs. FEINSTEIN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 135, a bill to amend title XVIII of the Social Security Act to improve payments for direct graduate medical education under the medicare program.

S. 143

At the request of Mr. GRAMM, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 143, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes.

S. 178

At the request of Mr. WELLSTONE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 178, a bill to permanently reenact chapter 12 of title 11, United States Code, relating to family farmers.

S. 207

At the request of Mr. SMITH of New Hampshire, the names of the Senator from Montana (Mr. BURNS), the Senator from Nevada (Mr. REID), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 207, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 217

At the request of Mr. SCHUMER, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 217, a bill to amend the Internal Revenue Code of 1986 to provide a uniform dollar limitation for all types of transportation fringe benefits excludable from gross income, and for other purposes.

S. 228

At the request of Mr. AKAKA, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 228, a bill to amend title 38, United States Code, to make permanent the Native American veterans housing loan program, and for other purposes.

S. 231

At the request of Mr. CAMPBELL, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 231, a bill to amend the Elementary and Secondary Education Act of 1965 to ensure that seniors are given an opportunity to serve as mentors, tutors, and volunteers for certain programs.

S. 232

At the request of Mr. CLELAND, the name of the Senator from California

(Mrs. FEINSTEIN) was added as a cosponsor of S. 232, a bill to amend the Internal Revenue Code of 1986 to exclude United States savings bond income from gross income if it is used to pay long-term care expenses.

S. 235

At the request of Mr. MCCAIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 235, a bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes.

S. 244

At the request of Mrs. FEINSTEIN, the names of the Senator from Arizona (Mr. KYL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 244, a bill to provide for United States policy toward Libya.

S. CON. RES. 6

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. Con. Res. 6, a concurrent resolution expressing the sympathy for the victims of the devastating earthquake that struck India on January 26, 2001, and support for ongoing aid efforts.

At the request of Mr. TORRICELLI, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. Con. Res. 6, supra.

S. CON. RES. 7

At the request of Mr. KERRY, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. Con. Res. 7, a concurrent resolution expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness.

# SENATE RESOLUTION 17—CONGRATULATING PRESIDENT CHANDRIKA BANDARANAIKE KUMARATUNGA AND THE PEOPLE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ON THE CELEBRATION OF 53 YEARS OF INDEPENDENCE

Mr. BROWNBACK (for himself and Mr. TORRICELLI) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 7

Whereas February 4, 2001, is the occasion of the 53rd anniversary of the independence of the Democratic Socialist Republic of Sri Lanka from Britain;

Whereas the present constitution of the Democratic Socialist Republic of Sri Lanka has been in existence since August 16, 1978, and guarantees universal suffrage; and

Whereas the people of the Democratic Socialist Republic of Sri Lanka and the United States share many values, including a common belief in democratic principles, a commitment to international cooperation, and promotion of enhanced trade and cultural ties: Now, therefore, be it

*Resolved*, That the Senate—

(1) congratulates President Chandrika Bandaranaike Kumaratunga and the people of the Democratic Socialist Republic of Sri Lanka on the celebration of 53 years of independence;

(2) expresses best wishes to the Government and the people of the Democratic Socialist Republic of Sri Lanka as they celebrate their national day of independence on February 4, 2001; and

(3) looks forward to continued cooperation and friendship with the Government and people of the Democratic Socialist Republic of Sri Lanka in the years ahead.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that the President further transmit such copy to the Government of the Democratic Socialist Republic of Sri Lanka.

## SENATE RESOLUTION 18—RESOLUTION EXPRESSING SYMPATHY FOR THE VICTIMS OF THE DEVASTATING EARTHQUAKE THAT STRUCK EL SALVADOR ON JANUARY 13, 2001

Ms. LANDRIEU (for herself and Mr. DODD) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 18

Whereas, on the morning of January 13, 2001, a devastating and deadly earthquake of a magnitude of 7.6 on the Richter scale shook the entire nation of El Salvador, killing more than 700 people, injuring more than 3,000, and leaving more than 50,000 homeless;

Whereas the earthquake of January 13, 2001, has left thousands of buildings in ruin, caused deadly landslides, and destroyed highways and other infrastructure;

Whereas the strength, courage, and determination of the people of El Salvador has been displayed since the earthquake;

Whereas El Salvador is still recovering from years of civil war, hurricane damage, and flood damage;

Whereas the people of the United States and El Salvador share strong friendship and mutual interests and respect;

Whereas some United States specialists from Costa Rica and Miami, including specialists from the Miami-Dade Fire Rescue Department, were deployed to assist disaster relief efforts in El Salvador;

Whereas United States military personnel from the United States Southern Command are providing some technical assistance;

Whereas the USAID/Disaster Assistance Response Team (DART) has set up an office in El Salvador's National Emergency Committee (COEN) to assist the office in its coordination efforts and to ensure access to the latest information; and

Whereas the United Nations launched an appeal for humanitarian assistance and initial rehabilitation to address the devastation caused by the powerful earthquake: Now, therefore, be it

*Resolved*, That the Senate—

(1) expresses its deepest sympathies to the people of El Salvador and other Central American countries for the tragic losses suffered as a result of the earthquake of January 13, 2001;

(2) expresses its support for the people of El Salvador as they continue their efforts to rebuild their cities and their lives;

(3) expresses support for disaster assistance being provided by the United States Agency for International Development and other relief agencies;

(4) recognizes the important role that is being played by the United States and other countries in providing assistance to alleviate the suffering of the people of El Salvador; and

(5) encourages a continued commitment by the United States and other countries to the long-term, sustainable development of El Salvador.

Ms. LANDRIEU. Mr. President, I thank my colleague for his tremendous leadership in this area for many years as it relates to Latin America. He is usually the first one on the floor to outline a strategy for U.S. assistance because he knows that we share mutual benefits in opening trade lines and expanding our cultural ties to this particular part of the world. I thank him for his leadership.

On behalf of the Senator from Connecticut and myself, I send a resolution to the desk and a bill that I will briefly describe.

Mr. President, the resolution simply calls the attention of the Congress to this particular dilemma in El Salvador, a country that has been wracked for decades by war, only to be hit 2 years ago by one of the largest and most destructive hurricanes. And now to face an earthquake is almost too much to describe.

As the Senator from Connecticut pointed out, the devastation has totaled about \$1 billion. To put that into perspective, that is 5 percent of El Salvador's entire GDP. The equivalent of 5 percent of the United States' GDP is \$500 billion. When hurricane Andrew struck, it was the largest natural disaster in our history at \$7 billion. So it is hard for us in America to understand what a natural disaster can do to a country whose economy is so fragile.

We are blessed in this Nation with an abundance of resources. We have the means and structures in place to deal manage such crises. When devastation like this hits other countries, they just reel. If we are not there quickly with assistance, it is very difficult, if not impossible, for them to recover.

Let me be quick to point out that the people of El Salvador will do everything they can to help themselves; they will work hard and struggle. But the U.S. must be quick to aid them. That is what our resolution calls for.

Our bill specifically calls for quite a modest amount, but a start, to aid the over 50 thousand people who lost their homes. There is an immediate need for shelter. That is how our bill will help in some way to complement what USAID is doing now.

I am happy to urge my friends and Members in the Senate and the House to come quickly to the aid of a country that needs so much help.

Mr. President, like many of my colleagues, I have watched the humanitarian calamity unfurl in El Salvador, with horror and sorrow. In the wake of a 7.6-size earthquake, the people of Central America are struggling to rebuild their lives. Still marred by hurricane and flood damage, they are desperate for help: to heal the wounded,

feed the hungry, and shelter the displaced. And now, my colleagues, tragedy has struck these people once again. Crisis has not spared the men, women and children of El Salvador.

Of course most of the destruction is difficult to quantify. The death toll is over 700, with nearly 3,000 people injured, over 50,000 estimated homeless, 46,000 evacuated, and 91,000 homes damaged or destroyed. In fact, as President Francisco Flores pleaded for international aid, he requested an additional 3,000 coffins.

As our Latin American neighbors desperately seek comfort in their faith and family, let us find solace in a passage from the Second Book of Corinthians: "Blessed be God . . . God of all comfort; Who comforts us in all our affliction so that we will be able to comfort those who are in any affliction with the comfort with which we ourselves are comforted by God."

The United States must rise to the occasion, and respond with aid. Perseverance has proven a critical trait for Salvadorans these last few weeks; we shouldn't count it to become a way of life.

Already, our ties with El Salvador run deep along both cultural and historic lines. On one score, El Salvador has stood by the U.S. as a strategic ally and crucial trading partner during and after the Cold War. On another, the U.S. remains home to millions of immigrants who have sought refuge from calamity in Central America. Helping Central America rebuild is of special concern in Louisiana. It may come as some surprise to my colleagues to learn that New Orleans, with one of the largest Honduran and Salvadoran communities in the U.S., is often cited as one of the largest Central American cities outside Latin America. And with organizations like Partners of the Americas, we are continuing to foment our bonds of friendship with Central America. The Louisiana Chapter of Partners already has two Medical Assistance and Emergency Preparedness teams set up for travel to El Salvador to work in delivery of health care and work with communities on future needs.

It was these strong connections and long history of humanitarian aid which induced us to respond to pleas for help after Hurricane Mitch in 1998. And for these reasons, I am introducing two pieces of legislation today. The first is a resolution to raise awareness of the circumstances in El Salvador. Simply put, I am sure that my colleagues will join me and Senator DODD in expressing sympathy for the victims of the devastating earthquake that struck El Salvador January 13, 2001.

The second piece of legislation is meant to complement USAID's current efforts to provide short term relief and establish preventative measures to prepare for future disasters. As USAID and the State Department help draft long term strategies for Central America, let us not neglect some immediate con-

cerns. One of the most pressing problems afflicting the Honduran people is lack of shelter. In the last Congress, I authored legislation with several senators on both sides of the aisle that provided \$10 million for the home building program for Central American countries affected by Hurricane Mitch. Today, I hope my colleagues will join me in supporting a similar measure to help complete the work which we began. We must do all that we can to expeditiously provide homes for the more than 50,000 displaced persons through El Salvador. Time is of the essence.

In the last Congress, we witnessed a historic meeting in the Capitol's LBJ Room hosted by Senators LOTT and the late Paul Coverdell. There, four Central American Presidents made it clear to us that permanent housing along with opening trade opportunities were among the highest priorities for their recovery. The Republican leader and members of his caucus were very helpful in providing housing aid after Hurricane Mitch.

And yet, here we are, in the beginning of an entirely new Congress. People are once again homeless, and have no suitable means to protect themselves from future natural disasters. I will be working along with other colleagues on both sides of the aisle—to see that we do all we can in the area of housing in Central America. Let us begin today, with El Salvador. Then we shall extend our efforts throughout the region, to try and stop such devastation from occurring again. Let me assure our Central American friends of one thing, we will not turn our backs on you.

Mr. DODD. Mr. President, I rise today to speak on behalf of the people of El Salvador and India who are working so bravely towards recovery in the wake of the devastating earthquakes that recently struck those nations.

In the case of El Salvador, the death toll has exceeded 700, and countless numbers have been left injured and homeless. More than 68,000 people have been evacuated with no promise of ever returning, and 60,000 are living in temporary shelters. Indeed, in addition to the 74,000 homes that were so suddenly destroyed last month, another full 118,000 may have been damaged beyond repair, and in some areas, Mr. President, one quarter of schools were completely destroyed. While the cost of rebuilding is still being calculated, the El Salvador National Emergency Committee estimates that it most certainly will run to over \$1 billion, with an estimated \$100 million loss in agricultural revenue alone.

At the time of the quake the people of El Salvador were already hard at work rebuilding their country after the 12 years of civil conflict that had claimed the lives of 70,000 men, women, and children during the 1980's. Their suffering, as they struggle toward stability and development, has only been compounded by the natural disasters of

the past two years. After a dozen years of civil strife, the people of El Salvador were able to reach a political settlement of their differences. This speaks volumes about their commitment and courage. Since the 1992 peace accords, they have worked to build a prosperous and democratic country. This is a people tested well beyond what they should be asked to bear. At each step on the path to recovery they have faced a new challenge, and each time they have responded tenaciously and stepped forward again.

Mr. President, this earthquake is not the first time in recent memory that a natural disaster has brought devastation on such a wide scale to the people of El Salvador. In addition to this terrible earthquake, there has also been a serious outbreak of dengue fever, a serious and debilitating disease. And it was only two years ago that Hurricane Mitch tore through Central America, exacting an unbearable toll on an already fragile region. In the countries of El Salvador, Honduras, and Nicaragua, more than 11,000 lives were swept away in the rain, winds, and massive landslides that Mitch wrought. In some areas, more than 70 percent of crops were demolished. The price tag of that devastating hurricane soared to more than \$4 billion once a full accounting was made.

Mr. President, the people of El Salvador did not simply wring their hands in despair at the devastation of Mitch. They worked to improve their lives—they rebuilt roads, and schools, and homes. They began to address the needs of citizens dealing with painful losses and an uncertain future. They began to pull themselves, with the help of international monetary and humanitarian assistance, out of the darkness created by Mitch when they were struck again by another wanton force of mother nature. This earthquake, which registered a thundering 7.6 on the Richter scale, once again threatens to break the back of an already struggling nation.

Mr. President, the story unfolding right now in India is no less compelling and deserves our equal attention and concern. January 26th is traditionally a day of celebration in India, a day when people gather with their families in their homes to celebrate Republic Day, their constitution, and their country. But this January the clamor of parades and cheers was replaced by the roar of collapsing buildings torn down by an earthquake registering 7.9 on the Richter scale, the worst earthquake in India in a half century. Tremors were felt in Pakistan, Nepal and Bangladesh as the earth shook early that morning.

Hardest hit was Bhuj, a city of 150,000 in the Gujarat state, only 43 miles from the quake's epicenter. The government of India places the official death toll at more than 16,000, but estimates this figure could climb to a ghastly 100,000 in the days and weeks to come. Six hundred thousand people have been left

homeless, many of whom are sleeping out in the open, with too few blankets among them, for fear of returning to unsteady buildings. Many others simply have no place to go. As many as 35 million people have been affected in some way by the earthquake, a figure so staggering it is almost impossible to comprehend. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) places the cost of rehabilitation and reconstruction at \$1.3 billion.

The daunting task that now lies before us is to bring some measure of relief and care to those who were spared, including an estimated 3,000 orphaned children. Tragically, the state of Gujarat was particularly vulnerable to a natural disaster such as this, as one quarter of its citizens live below the poverty line and almost one half of households rely on public food distribution under normal conditions. In an emergency such as this, the situation becomes exponentially more dire than before. In addition to the desperate need for food, medicine, and shelters, many Indian officials now fear epidemics of cholera and typhoid if access to clean, safe, drinking water is not quickly restored. This task has been made all the more difficult because it comes in the midst of a 3 year drought in India which affected almost 3 million people in the state of Gujarat last year. The majority of water supply wells are caked with mud and temporarily out of service, promoting concerns that some who managed to survive the earthquake may instead succumb to disease while they wait for clean water. Certainly, the survivors of this earthquake should not be exposed to further suffering and injury.

Mr. President, we cannot and should not ask the governments of El Salvador and India, or their people, to walk the path toward recovery alone. At a time when these countries seek peace and development, we must be there as both an ally and a partner. We must not turn away from their suffering, but rather must respond swiftly and effectively.

In fact, international relief efforts are already in full operation in both El Salvador and India, providing basic necessities such as drinking water, food, blankets and temporary shelter to the quakes' victims. The United States government is actively participating in these international efforts through the work of USAID. At the time of the quake, USAID personnel in El Salvador immediately began meeting with Salvadoran relief agencies to evaluate the extent of the damage and the level of aid necessary. To date, USAID assistance to El Salvador totals more than \$5 million, the majority of which was allocated for temporary shelter programs. In addition, the World Food Programme has provided 900 metric tons of rations, the International Federation of the Red Cross has released \$100,000 of disaster relief funds as well as sent a delegation of relief workers to

assist the 1,200 person Salvadoran Red Cross. Medicines for hospitals and temporary clinics are pouring in from the Pan-American Health Organization, and the International Development Bank is considering a \$20 million emergency loan. Monetary and other contributions from additional organizations continue to arrive as well.

In India, USAID has pledged \$9 million in emergency relief, including emergency food distribution, airlifts, and temporary shelter equipment. Indeed, more than 38 countries have responded to India's cries, as well as several hundred non-governmental organizations including UNICEF, The International Federation of the Red Cross, and the World Food Programme.

It is my hope, Mr. President, that the Bush administration will recognize how desperately our help is still needed in El Salvador and India and will respond not only with continued short-term emergency relief aid, but also with a comprehensive plan for long term reconstruction and development. In the case of India that will require that waiver authority be exercised by the Administration to permit broader categories of assistance to be provided despite existing sanctions against that country. I would urge the Administration to do so.

I am confident that our colleagues in the Senate join with me in extending our prayers and our hands to the people of two nations who must persevere at very difficult moments in their histories. I am confident that with our help the lives of the peoples of these two nations will improve day by day.

#### PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that Peter Winokur be granted the privilege of the floor during today's session of the Senate.

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

Mr. DORGAN. Mr. President, I ask unanimous consent that Mark Peters be granted floor privileges for the purpose of this debate. He is a fellow from the Commerce Department.

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

#### LORETTA F. SYMMS

Mr. CRAIG. Mr. President, let me take a few additional moments to speak to the Senate about a friend of ours who has worked with us in the Senate for a good number of years. This week marks the last week of work for the Senate in the career of Loretta Symms. Loretta, as I mentioned, has become a friend of all of us while she has worked in the Senate.

Loretta, who is originally from Coeur d'Alene, ID, moved to Washington in the midseventies and began her career working for then-Congressman Steve Symms as executive assistant and office manager. In 1981, after Congressman Symms was elected to the Senate,

Loretta became his executive secretary and then office manager.

Most in the Senate got to know Loretta in 1987 when Senator Bob Dole appointed her as the Republican representative to the Sergeant at Arms Office. Between 1987 and 1996, Loretta filled a number of positions within that organization. As its director, she restructured the Capitol Facilities Department, providing career ladders, formal position descriptions, instituting reading programs, basic computer classes for employees, and other training programs—clearly, an effort to build a more professional staff within the Sergeant at Arms Office.

Loretta also participated in the renovation and the opening of Webster Hall, the first and current Senate page dormitory.

Like you, Mr. President, I have had the privilege now of having several Senate pages, and I know they appreciate the facilities that are made available for them and, of course, the educational program that is provided to them while they serve us in the Senate.

Loretta worked closely with the Office of the Secretary of the Senate and has been actively involved in the oversight and the management of the Senate page program.

In 1996, Senator TRENT LOTT named Loretta Deputy Sergeant at Arms, the post in which she still serves. As deputy, Loretta has managed the day-to-day operations of 750 employees of the Sergeant at Arms organization. In addition to assisting Presidents, Vice Presidents, and foreign heads of state on official visits to our Senate, Loretta has led Senate delegations to the funerals of former President Richard Nixon, the late Senator John Heinz, the late Senator John Chafee, the late Senator Paul Coverdell, and a good number of other Senators.

During her tenure as deputy, and working closely with the Assistant Secretary of the Senate, Loretta was instrumental in the formation of the Joint Office of Education and Training which provides a wide variety of professional seminars and training for the staff of the Senate offices and committees.

Loretta is married to former U.S. Senator Steve Symms. They have 7 children and 10 grandchildren. Retirement plans, she tells me, include building a new home that I think is under construction at this moment, traveling—that is if she can get Steve out of town—needlepoint, which she already does very well, and spending a lot of time with her children and grandchildren who live as far away as Atlanta, GA, and in her original home of Coeur d'Alene, ID. Of course, we Idahoans look forward to seeing her back home in our State.

Yes, Mr. President, we will miss Loretta and, of course, the fine work she has always provided us in the Senate. As a fellow Idahoan, I stand before you today to say how proud I am of Loretta Symms for the work she has done for

all of us and to make the Senate a better place to be and to work.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### ORDER OF BUSINESS

Mr. LOTT. Mr. President, we have had a number of conversations over the past several days with Senator MCCAIN and Senator FEINGOLD, with the Democratic leadership, Senator MCCONNELL, Senator HOLLINGS, Senator NICKLES, a whole number of Senators have been involved in this, Senators DODD and LEVIN, in coming to an agreement on how to proceed on the election campaign reform issue. We have come to agreement here that everybody seems to be satisfied with at this time. I would like to enter this unanimous consent request.

I actually have three. One is dealing with how to handle the campaign finance reform issue. The next one is the Hollings constitutional amendment, and then also a consent regarding the U.N. dues and its consideration on the floor of the Senate beginning tomorrow.

#### UNANIMOUS CONSENT AGREEMENT—S. 27

Mr. LOTT. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader, after consultation with the Democratic leader, either on March 19, 2001, or March 26, 2001, the Rules Committee be immediately discharged from consideration of S. 27, as introduced, and the Senate shall return to its immediate consideration.

I further ask unanimous consent that following the reporting of the bill by the clerk, the bill become the pending business, to the exclusion of all other business, except for a motion to temporarily postpone consideration of the pending legislation made by the Republican leader, following approval of the Democratic leader, and that no call for the regular order serve to displace this item, except one made by the Republican leader, also after the approval of the Democratic leader.

I ask unanimous consent that when a first-degree amendment is offered, there be up to 3 hours evenly divided in the usual form for debate only, after which a motion to table may be made. If a motion to table fails, the amendment then be fully debatable and amendable. Further, that if the motion to table is not made at the expiration of the 3 hours, a vote occur on the amendment without intervening ac-

tion, motion or debate, provided that no point of order be considered as having been waived by this agreement.

Mr. DASCHLE. Mr. President, reserving the right to object, I will have more comment later, but is it the intent of the majority leader to include in this unanimous consent agreement debate and disposal of the Hollings constitutional amendment as well?

Mr. LOTT. Mr. President, I respond to the Senator from South Dakota that I will, after this agreement is entered into, follow that immediately with an agreement with regard to the Hollings constitutional amendment, which I assume will also be agreed to.

Mr. DASCHLE. I thank the majority leader. I have no objection.

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

Mr. LOTT. Mr. President, would the Senator like to be heard at this point? I will be glad to yield to Senator MCCAIN for comment before I go to the next consent.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank the majority leader and the Democratic leader, without whose strenuous efforts we would not have been able to enter into this unanimous consent agreement.

I want to make one thing clear: This campaign finance reform will be before the Senate bumping up against the April recess. I hope we can devote every effort to get that done in the final 2 weeks before the April recess. It would be very good if we could, over a 2-week period, dispose of amendments and move to final passage. It is critical that we do that. Perhaps, if necessary, we could even delay the recess, something that none of us like, but we really don't want to have this issue clouding the legislative agenda for the rest of the year.

I thank Senator LOTT and Senator DASCHLE, but I do want to point out, I do insist that we get a final vote on this issue. We really need to have it disposed of finally. I know Senator DASCHLE and Senator LOTT appreciate that.

If there is a filibuster, in other words, just a loading up of amendments, whether they be extraneous or not, but basically covering the same ground, I will be the first to condemn that, and I know that my friend from Wisconsin feels the same way. There are a number of issues that need to be addressed, but we will know if it is becoming extraneous and just a delaying tactic. Then we will have to make our decisions as to what our options are.

We owe it to the American people, and we owe it to the Members of this body who have been involved in this issue for so long to bring this issue to conclusion.

I ask unanimous consent that a colloquy between myself and Senator LOTT be printed in the RECORD.

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



Mr. LOTT. I believe that colloquy also includes Senator DASCHLE. I think the three of us are included.

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

Mr. FEINGOLD. Mr. President, reserving the right to object, I would like to see a copy of that colloquy.

Mr. LOTT. Mr. President, if I could get a clarification, the Senator is reserving the right to object?

Mr. FEINGOLD. Mr. President, I would like to see a copy of the colloquy that was just referred to before agreeing to unanimous consent that it be printed in the RECORD.

Mr. LOTT. Mr. President, I ask that Senator MCCAIN withhold that request until he can consult further with his colleague. I presume there would be no problem at that point.

Mr. FEINGOLD. If I could make a brief comment, as did my leader, Senator MCCAIN, I thank the majority leader for his cooperation on this, coming to this agreement. I especially thank the Democratic leader, who has not only provided our Democratic unity on this issue, but has also worked so effectively to help us come to this agreement. I also thank the Senator from Michigan, Mr. LEVIN, who is not with us on the floor at this time, for his tremendous efforts on this.

I reiterate two points the Senator from Arizona has made. One is that this, fortunately, through the cooperation of everybody, will be a truly open process. Senator MCCAIN and I have been very involved in this issue. But we are certainly not the only people who know a lot about this issue. Every Member of the Senate is an expert on campaign finance reform. That means it is essential that every Senator have an open chance to participate in the amending process. I believe that is what this agreement truly does.

The second is to simply agree with the Senator from Arizona that we want to finish as fast as we can, within the bounds of giving everybody a chance to participate. We hope to finish before the Easter recess. But we will make sure that this matter comes to a vote up or down in the end and that is our understanding in going forward with this agreement.

I thank the leader.

Mr. LOTT. Mr. President, while the Senators are consulting, we are going to have a colloquy. Let me add to what has been said by Senators MCCAIN and FEINGOLD, and I know Senator DASCHLE feels the same way.

This is a fair and very open agreement. I guess there is plenty of opportunity for mischief, if somebody on either side decides to cause it. I guess we could get tangled up on many issues, completely unrelated to election and campaign finance reform. But we are trying to all act in good faith. We are going to have to try to do that.

The way this is constructed, Senators should have an opportunity to

offer amendments, have those amendments debated for a reasonable period of time—3 hours is a good bit of time—and get a vote. Then if that doesn't carry, then a second degree could be offered or other amendments could be offered. I suppose that one example of the kind of mischief you can have is a Senator could get the floor and talk for a long time without ever offering an amendment and eat up 2 hours before he or she ever lays down their amendment. Then there would be 3 hours. That is not good faith. That would be violating the spirit of what we are doing here. Three hours is enough time to talk and have a vote.

I have said all along, unlike in the past, I think everybody ought to have a chance to make their case and get a vote. I also think that 2 weeks is long enough. In that period of time, if you get to figuring the amount of time we are going to be in, a number of amendments could be offered. I don't know whether it will wind up being 15 or 25. But there will be plenty of opportunity, and more, for amendments to be offered and then to wrap it up. I think, hopefully, we will get a vote on final passage of the end product and move on. I am going to think that bad faith, again, is at play if we are into the middle of the third week, or if it goes beyond that, when we should be taking up the budget resolution instead or taking up some other issue, such as energy, or any other matter. I think we have a fair parameter in terms of how amendments can be offered, debated, voted on, and come to a conclusion within a 2-week period of time.

I ask that Senators on both sides of the aisle try to live up not only to the specifics of the agreement and the colloquy, but the spirit in which it has been put together.

Mr. DASCHLE. Mr. President, I was going to wait until after the other unanimous consent request, but I am compelled now to add my comments. I don't think it could have been said any better than what you have just heard the majority leader say. As we talked about how we were going to run the Senate over the next 2 years, I can't tell you the number of times we have said you can put as much as you want on paper, but at the end of the day it is going to be what good faith there is between caucuses and among Senators on whether or not this will work. I believe this is a good example. We can put as much on paper as we want to, but it still depends upon the intentions and the approach and the attitude that people bring to the floor as we debate this issue.

As the majority leader said, I think 2 weeks ought to be adequate. There are a lot of complicated issues here. Clearly, if anybody comes with good faith, we ought to have a good, vigorous debate on all of the issues and accommodate all of the ideas and the philosophies that are presented as we consider these amendments.

I compliment the majority leader and thank him for his approach in this matter, and I certainly compliment our two ardent advocates and leaders on campaign finance reform, Senators MCCAIN and FEINGOLD. They have put forth an extraordinary amount of effort to bring us to this point. We are going to work with them to assure this is a productive and successful debate. I am appreciative of the effort that has been made to get us to this point. I look forward to the debate. I don't think we can have a better framework within which to have the debate in the coming weeks. I yield the floor.

Mr. LOTT. Mr. President, I am pleased to come to the floor today to share with my colleagues the discussions that the Senator from Arizona and I have been having on campaign reform. I appreciate the Senator's willingness to work through this issue, and I believe that we have come up with a fair arrangement.

Mr. MCCAIN. I thank the majority leader for working with me on this agreement. I believe that it accommodates my desire to have a full and open debate early, while ensuring that the leader has the opportunity to move important bills prior to its consideration.

Mr. LOTT. Under this agreement, the President will have some time to introduce his agenda to the American people and to the Congress. I believe that the agreement we have reached will allow us to begin work on some of these issues, while ensuring that campaign, political, and election reform is addressed early. It is my hope that we will be able to move expeditiously on both education reform and the budget resolution in the next 2 months. To that end, should we have a budget resolution ready for floor consideration prior to March 19, we will consider the resolution first. If the budget is not ready within that timeframe, we will consider campaign, political and election reform first, to be followed by consideration of the budget in early April.

Mr. FEINGOLD. Mr. Leader, I just want to add that I am very pleased that this agreement has been worked out in a cooperative way with Senator MCCAIN and also the Democratic leader. I also want to thank Senator LEVIN for his contribution to this agreement. We look forward to having a full and fair debate on our bill for the first time.

Mr. MCCAIN. It is important that there is a full and open debate on campaign reform. I am pleased that the majority leader has agreed to use S. 27, the McCain-Feingold bill, as the legislation that will be considered by the Senate.

Mr. LOTT. It is my intention to call up S. 27, the McCain-Feingold bill, within the time frame we have discussed. I also believe that we should have a full and open debate. I expect that many of my colleagues have ideas on campaign reform, political reform

and election reform that warrant consideration by the Senate. The amendments, I hope, should be on the subjects of campaign reform, political reform and election reform. In addition, I do not anticipate a circumstance arising that will compel me to use my prerogatives as majority leader to fill up the amendment tree. I anticipate that we will have a full, open and spirited debate on any amendment offered to the Senate for consideration. Let me be clear, we intend to allow an opportunity for all amendments to be considered. Therefore, I do not expect that any major striking amendments, or the so-called wrap around amendments will be offered toward the end of the Senate's consideration. I intend to complete action on the bill, working long hours if necessary, within 2 weeks.

Mr. MCCAIN. I appreciate the majority leader's assurances that all amendments will be considered by the Senate. It is also my intention to let the will of the Senate prevail. I share the majority leader's intention that all amendments be fairly considered and voted on prior to final passage, and I agree that a wrap around amendment would be a show of bad faith. I will work with the majority leader to ensure that all amendments are voted on and the bill is ready for final action within the 2 weeks that the leader anticipates. In order to facilitate this, it would be my hope and expectation that the bill would not be filibustered.

Mr. LOTT. As the Senator from Arizona is aware, every Senator has rights in this regard. However, I would discourage any efforts to filibuster this measure, and do not anticipate a filibuster of this bill. In fact, it is my expectation that the Senate will finish deliberations of campaign, political and election reform within 2 weeks of commencing action on it. I am determined to stick to this schedule, even if we must work through the weekend to complete action.

Mr. FEINGOLD. I thank the leader for his comments, and I want to assure him that supporters of this bill are ready to work through the weekend and into the evenings to make sure that this bill passes the Senate in a timely manner. I think the American people will applaud the leader's statement that he does not anticipate a filibuster on this important legislation. I think we have reached a fair and balanced agreement, and I congratulate the leader and my colleague from Arizona for this achievement.

Mr. MCCAIN. I thank the majority leader and I appreciate his willingness to work with me on this important issue. Again, I believe that we have reached a fair and balanced agreement.

Mr. LOTT. I thank my colleague from Arizona.

Mr. MCCONNELL. I congratulate the majority leader and the Senator from Arizona for this win-win compromise. The deal will allow the President's top agenda items to be center stage prior to a discussion on campaign and elec-

tion reform. And I agree that we will all work to keep the debate focused on these issues and that a wrap-around amendment would be a show of bad faith.

We may disagree on the public's interest in campaign reform, but I think that we can all certainly agree that there is a true public demand for election reform and political reform. The upcoming debate will in many respects be the equivalent of a bill mark-up on the Senate floor. I think we all agree that there should be a full opportunity for everyone who wants to offer an amendment to be allowed to do so and to get a vote on that amendment without any games played by either side. So I want to thank the majority leader and my colleague from Arizona for their willingness to ensure that an open and robust debate will occur on this matter. I also appreciate the willingness of my colleague from Arizona to work with the majority leader to ensure that no vote on final passage occur until all amendments are voted on. I, too, believe that this is a fair agreement and again, I congratulate the leader and the Senator from Arizona.

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#### UNANIMOUS CONSENT AGREEMENT—HOLLINGS-SPECTER CONSTITUTIONAL AMENDMENT

Mr. LOTT. Mr. President, I ask unanimous consent that during or immediately following the disposition of the McCain-Feingold legislation, S. 27, the Hollings-Specter constitutional amendment legislation then become the pending business and that it be considered under the following limitations:

That no amendments be in order to the constitutional amendment; 5 hours to be divided as follows: 2 hours under the control of Senator HOLLINGS, 2 hours under the control of Senator HATCH or his designee, and 1 hour equally divided between the Republican and Democratic leaders or their designees; that upon the use or yielding back of time, the Senate, without intervening action, motion, or debate, proceed to vote on passage of the constitutional amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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#### UNANIMOUS CONSENT AGREEMENT—U.N. DUES

Mr. LOTT. Mr. President, I ask unanimous consent that at 1 p.m. Wednesday, February 7, the Senate proceed to the U.N. dues bill, if reported by the Foreign Relations Committee, and all amendments offered be relevant to the subject matter and cleared by both managers.

I further ask consent that if the committee has not reported the bill by 1 p.m., it be immediately discharged and the Senate proceed immediately to its consideration.

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

#### APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Democratic leader, pursuant to Public Law 105-83, announces the reappointment of the Senator from Illinois (Mr. DURBIN) as a member of the National Council on the Arts.

The Chair, on behalf of the President pro tempore, and upon the recommendation of the Democratic leader, pursuant to 22 U.S.C. 2761, as amended, appoints the Senator from West Virginia (Mr. BYRD) as cochairman of the Senate Delegation to the British-American Interparliamentary Group during the 107th Congress.

The Chair, on behalf of the majority leader, pursuant to Public Law 106-550, announces the appointment of the following Senators to serve as members of the James Madison Commemoration Commission: The Senator from Virginia (Mr. WARNER), and the Senator from Alabama (Mr. SESSIONS).

The Chair, on behalf of the majority leader, pursuant to Public Law 106-398, announces the appointment of the following individuals to serve as members of the Commission on the Future of the United States Aerospace Industry: William Schneider, Jr., of New York, and Robert J. Stevens, of Maryland.

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#### UNANIMOUS CONSENT AGREEMENT—H.J. RES. 7

Mr. LOTT. Mr. President, when the Senate receives from the House H.J. Res. 7 relating to the birthday of former President Ronald Reagan, I ask unanimous consent that the resolution be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements thereon be printed in the RECORD.

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

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#### ORDERS FOR WEDNESDAY, FEBRUARY 7, 2001

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. on Wednesday, February 7. I further ask that on Wednesday, immediately following the prayer, the Journal of the proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period for morning business until 1 p.m. to be divided in the following fashion: The time between 10 a.m. and 11 a.m. be divided as follows: Senator LOTT or designee under 30 minutes, Senator LIEBERMAN in control of 15 minutes, Senator DURBIN or designee in control of 15 minutes, Senator THOMAS or designee controlling the time between 11 and 12

noon, Senator BYRD controlling the time between 12 and 1 p.m.

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

#### PROGRAM

Mr. LOTT. Mr. President, on Wednesday, the Senate will be in a period of morning business until 1 p.m. under the order. At 1 p.m., the Senate will begin consideration of S. 248, the U.N. dues legislation. A minimal amount of debate is expected on the legislation. Therefore, it is expected that a vote will occur during tomorrow afternoon's session.

On Thursday, the Senate will begin consideration of the pipeline safety bill. I hope the Senate can complete consideration of that bill prior to the week's adjournment.

#### ORDER FOR ADJOURNMENT

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the previous order following the remarks of the distinguished Democratic leader.

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

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

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

#### THE RETIREMENT OF OUR FRIEND "TINKER," ARTHUR MALAN ST. CLAIR

Mr. DASCHLE. Mr. President, a special guest joined us at our caucus lunch this afternoon. His name is Arthur Malan St. Clair. We know him better as "Tinker."

Tinker St. Clair has spent 55 years in public service. He has worked in the Senate—for the Sergeant at Arms—for the last 22 years. This Friday, he is retiring.

His leaving was inevitable. He is, after all, 85 years old, although you would never guess it. Even so, Tinker's departure will leave a void for all of us.

Every Member of this Senate knows how dedicated Tinker is to his work. We all know how much he loves this Senate, and this Nation. We have all benefitted—at some time—from Tin-

ker's kind smile, and from his quiet words of encouragement, which always seemed to come exactly when we needed them. We will all miss him.

Tinker St. Clair was born in a coal miner's camp in McDowell County, West Virginia. His father worked in the mines. All together, his parents had six sons and one daughter.

He got his nickname from his grandmother, because he was a curious little boy—always "tinkering" with something, she said.

While some of his brothers followed their father into the coal mines, Tinker knew he wanted to do something different with his life. After graduating from high school in 1937, he went to work as a school bus driver, and then a commercial bus driver. He later owned his own small taxi business.

In 1940, Tinker had the good sense and good fortune to marry Elnora Hall. They would remain married for 55 years, until her death.

Tinker and Elnora had two daughters, Patty and Linda. In 1948, when the girls were little, Tinker began his life in public service. He became Deputy Sheriff for McDowell County.

Over the next 20 years, he would serve as: court bailiff; criminal investigator for the McDowell County prosecuting attorney; and justice of the peace.

In 1968, Tinker was elected McDowell County Clerk, running on the slogan: "the man to give the office back to the people." In 1974, he was re-elected—with 89 percent of the vote. He might have won 100 percent of the vote had he chosen to run for a third term.

As a local office holder, Tinker helped many a national leader through the back roads of West Virginia. He walked through the coal fields with President Truman. In 1960, he campaigned with a charismatic young Senator from Massachusetts, John Kennedy. He greeted President Johnson during LBJ's visit to West Virginia. He was at Robert Kennedy's side in 1968 when Senator Kennedy sought to bring hope to places prosperity had overlooked. He has been a constant help over the years to his fellow West Virginians, ROBERT BYRD and JAY ROCKEFELLER.

In July 1979, Tinker and Elnora left West Virginia and moved to the Washington area to be closer to their daughters and grandchildren. At 63—an age when most people are thinking about retiring—Tinker came to work in the Senate.

A friend once told me that—for a month after she started working in this building—every time she saw Tinker, she thought, "Which Senator is

that?" You can see how a person could think that. Tinker St. Clair is one of the most distinguished-looking men you could ever hope to meet. He's also one of the kindest.

At our caucus lunch today, Tinker told us he plans to visit his two brothers in Florida. He also hopes to do a little traveling with his 82-year-old sister, who lives in Tennessee—if she can get away long enough from the little shop she owns and runs.

Tinker also told us about some of the friendships he has made in the Senate. Probably the most important of those friendships was with the man who was sitting at his left at lunch, his fellow West Virginian, ROBERT BYRD—the only man in the Senate with hair as nice as Tinker's own.

He also spoke about his friendship with the man seated to his right: TED KENNEDY. They first met in 1960—two years before TED KENNEDY was elected to the Senate. Recently, as a token of their friendship, SENATOR KENNEDY gave Tinker a framed photograph. It shows the three Kennedy brothers John, Bobby and TED all standing together, smiling and young.

"It's really something," Tinker told us.

We feel that same way about you, Tinker. You're really something.

On behalf of the Senators and staff, I want to say: We're proud to have had the chance to work with you and to know you. You are a treasured member of our Senate family. You take with you our best wishes as you begin this next chapter of your life.

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

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in adjournment.

Thereupon, the Senate, at 5:32 p.m., adjourned until Wednesday, February 7, 2001, at 10 a.m.

#### NOMINATION

Executive nomination received by the Senate February 6, 2001:

FEDERAL EMERGENCY MANAGEMENT AGENCY  
JOE M. ALLBAUGH, OF TEXAS, TO BE DIRECTOR OF THE  
FEDERAL EMERGENCY MANAGEMENT AGENCY.

#### CONFIRMATION

Executive nomination confirmed by the Senate February 6, 2001:

EXECUTIVE OFFICE OF THE PRESIDENT  
ROBERT B. ZOELLICK, OF VIRGINIA, TO BE UNITED  
STATES TRADE REPRESENTATIVE, WITH THE RANK OF  
AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.