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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable GEORGE ALLEN, a Senator from the State of Virginia.

PRAYER

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

Gracious Lord, You have told us that if we, as branches, are connected to You, the Vine of virtue, our lives will emulate Your character. We dedicate this day to live as branches for the flow of Your spirit. We admit that apart from You, we can accomplish nothing of lasting significance. We ask that the Senators and all of us who work with them may be distinguished for the fruit of Your spirit, a cluster of divinely inspired, imputed, and induced traits of Your nature reproduced in us.

Your love encourages us and gives us security; Your joy uplifts us and gives us exuberance; Your peace floods our hearts with serenity; Your patience calms our agitation over difficult people and pressured schedules; Your kindness enables us to deal with our own and other people's shortcomings; Your goodness challenges us to make a renewed commitment to absolute integrity; Your faithfulness produces trustworthiness that makes us dependable; Your gentleness reveals the might of true meekness that humbly draws on Your power; Your Lordship gives us self-control because we have accepted Your control of our lives. You are the mighty God of Abraham, Isaac, Jacob, and Jesus Christ. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE ALLEN 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, March 21, 2001.

To the Senate:

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

STROM THURMOND,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. JEFFORDS. Mr. President, today the Senate will immediately resume consideration of the campaign finance reform legislation. Debate will continue on Senator TORRICELLI's amendment regarding broadcasting. If all debate time is used, a vote may be expected around 12 noon. However, some time may be yielded back, and therefore the vote could occur earlier. Progress is being made on the bill, and further amendments will be offered throughout the day. As a reminder, votes will occur throughout the day approximately every 3 hours.

I thank my colleagues for their attention.

Mr. REID. Will the Senator yield for a question?

Mr. JEFFORDS. I am happy to yield.

Mr. REID. Mr. President, through my friend from Vermont, I ask the Chair, if all time is used on the Torricelli amendment—he spoke for a short time last night—what time would the vote occur?

The ACTING PRESIDENT pro tempore. Approximately 12:20 p.m.

Mr. REID. I thank the Chair.

BIPARTISAN CAMPAIGN REFORM ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 27, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 27) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

Pending:

Torricelli amendment No. 122, to amend the Communications Act of 1934 to require television broadcast stations, and providers of cable or satellite television service, to provide lowest unit rate to committees of political parties purchasing time on behalf of candidates.

AMENDMENT NO. 122

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the Torricelli amendment No. 122.

The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, the Senate now turns its attention to what is the other half of the campaign finance problem. It is, after all, not simply what is raised but why money is raised and where it is going.

This Senate, for 5 years, has had to overcome four filibusters to get us to this moment in considering campaign finance reform. We have voted on 113 occasions to reform the campaign finance laws. We have considered 300

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

pieces of legislation, heard 3,000 speeches, and filled 6,000 pages of the CONGRESSIONAL RECORD. But none of this will mean anything, this legislation will accomplish no more than leading to a less informed public with less political dialog, if we do not complement the reduction in fundraising with more availability of information by reducing the cost.

The McCain-Feingold legislation, as written, will not abate the expense of running for political office. It could, if not amended, simply lead to an American public, as Senator MCCONNELL has said many times, that is less informed with less political speech. I know no one in the country who believes that is the kind of reform we genuinely seek.

The Alliance for Better Campaigns recently stated:

> Reform must do more than limit the supply of political money. It must also restrain the demand for political money.

There is a perception in the media and in the public that the entire problem of campaign financing is the amount of money. That is a problem, but it is not the only problem. Members of this institution know that an equal burden that must be addressed is the amount of time Senators and Members of the House of Representatives are taken away from their legislative responsibilities, not meeting with ordinary citizens, to cater to the wealthy to gain access to this money.

On the chart on my left, I have taken a State at random, New Jersey, and given an indication of what it takes in time to run what all future Senate campaigns in New Jersey probably will cost—a minimum of $15 million. This would require, under current campaign finance laws, raising $20,833 every day 7 days a week for 2 years, or 150 fundraising events, each raising $100,000, or 1,500 events at $10,000 per event, 1,500 fundraisers at $10,000.

We can make it more difficult to raise the money. We can eliminate soft money. The question remains: Are we simply adding to the burden of how much time candidates must spend doing that? If we are eliminating categories of money, making it more difficult to get the $15 million, all we could be doing is adding to that time which candidates must spend finding it. That will not be an achievement. That is why today we are dealing with the other half of the equation—not what is raised but how much is spent.

The 2000 elections provide an illustration. Common Cause estimates that the 2000 elections cost $3 billion. This is a 50-percent increase over 1996, begging the question, At this rate of increase, where is the Nation going?

Obviously, to anyone in the system, by far the greatest component of this campaign spending is the cost of television advertising. Indeed, one-third of the $3 billion raised and spent in the 2000 elections went to pay for political advertisements on television. My predecessor, Senator Bradley of New Jersey, probably said it best a few years ago:

> Today's political campaigns function as collection agencies for broadcasters. You simply transfer money from contributors to television stations.

During the 2000 elections, the broadcast networks enjoyed record profits. The placing of political advertisements on the networks is not a public service. They do not do this under duress. It is a major form of network profits. It is estimated to be at least $770 million and, indeed, figures could be as high as $1 billion that was spent by candidates on political advertisements—a 76-percent increase over 1996.

The chart on my left illustrates the rapid increase. President midterm spending, in 1982, adjusted for inflation, was $200 million; in the year 2000, now reaching $800 million. It is an exponential increase that is unsustainable. The Alliance for Better Campaigns recently issued its report, ''Gouging Democracy, How the TV Industry Profiteered on Campaign 2000.''

This report illustrates how stations across the country took advantage of candidates by increasing their pricing for advertising just when they knew that campaigns needed the time the most.

In Philadelphia and New York City, the two media networks which serve my State of New Jersey, the cost of some political ads increased almost 50 percent between Labor Day and election day—television stations recognizing that unlike an automobile manufacturer or a soap manufacturer that can advertise at any time of the year, a candidate has no choice but to communicate with those voters between Labor Day and election day. They have a captive market and they take full and unconscionable advantage.

The letter on my left is a perfect example. This is a television station which has had an ad placed by a Federal candidate. Under the law, they are required to sell this ad at the lowest unit rate. But as is typical of the television networks, they wrote a letter back to the candidate saying:

> Activity is a lot heavier than the station anticipated, and your schedules are already getting bumped.

My colleagues, this is the heart of the problem. The candidate placed the ad at $6,300, as required by law. But the television station let the candidate know: You may have bought this ad in accord with Federal law at $6,300, but you will never see it on television because we will bump it. You will not get it for when you bought it. It will be shown in the middle of the night when no one will see it.

So they politely extort another $8,000 in order to guarantee the time slot that has been provided. An ad required to be sold at $6,000 by law is now in excess of $14,000. This is the heart of the problem. And it is typical.

In our surveys across the country, as in Philadelphia and New York, these rates were going up by 50 percent. We have seen in others, typically, 30-percent increases in these rates.

Now, by law, Members of the Senate undoubtedly think this was addressed years ago, and they would be right in having that belief. Nothing I am now reviewing should be allowed by law. But there is a loophole, and the loophole, as I have illustrated, is that they will sell you the time. They will just never guarantee it will ever be seen on television. That, as I think anybody could assess, is not much of an advertising campaign.

The law is actually being complied with as an exception. The rule is the violation. The chart on my left illustrates this point conclusively. The heavy red lines are advertisements that are placed above the lowest unit rate—remembering that the law requires that advertisements be sold to political candidates, as required for communication in Federal elections, at the lowest unit rate.

WCCO in Minneapolis met its public responsibility by selling 4 percent of all of its advertisements at the lowest unit rate. And 95 percent of all the ads placed were higher than lowest rates. They are paying commercial rates.

In New York city, an advertising market with which I am familiar, WNBC—not some unaffiliated station, but one owned by the National Broadcasting Company itself—15 percent of their ads were in accordance with the law at the lowest unit rate; for 78 percent they were charging commercial rates to Federal candidates for public office. There are stations that are better. The chart illustrates that virtually in every market in the country, large States and small, rural and urban, the responsibilities are not being met.

In Los Angeles, KABC—once again, an affiliate owned by the network itself—34 percent of all advertisements are being sold at commercial rates. In Columbus, OH, it is 90 percent. At KYW, one of the most popular stations in Philadelphia, it is 91 percent. At WXYZ in Detroit, it is 88 percent sold at commercial rates.

My colleagues, the law as you intended it, to require lowest unit rate sales of advertising, has collapsed. It is not happening. Broadcasters are auctioning advertising time to Federal candidates in competition with the industries of America. Any candidate is facing the prospect of a bidding war with General Motors or Ford or IBM when they go to place political advertising. The law is simply not functioning.

Similar patterns, as I have demonstrated, are all over the country. To quote the Alliance for Better Campaigns, ''while this law remains on the books, its original intent is no longer served.''

The other part of this equation is not simply that there is price gouging of candidates by taking advantage of a loophole in the lowest unit rate, but, almost incredibly and simultaneously, the broadcasters are violating another responsibility. One responsibility is the lowest unit rate to allow advertising,

not to increase the cost of campaigns and increase fundraising responsibilities and burdens; the other is to provide news coverage. These, my colleagues, after all, are the public airwaves, licensed by the Federal Government for the interest of the American people to promote their debates. The Federal airwaves are not to be used entirely for sitcoms and cartoons, or to sell soap or automobiles. There is a public responsibility.

I am going to show the difference between what is going on in advertising and news coverage. As you can see on this chart, those ads sold at the unit rate are flat. The red line shows that almost all advertising is going on to the non-unit rate or commercial rate of advertising.

We will move on to the news coverage. Now, remembering how the advertising was increasing at commercial costs, exponentially the chart was rising to the top. Consider this, remembering the two responsibilities: selling at lowest unit rate and providing news coverage in the public interest.

In Philadelphia, during the New Jersey Senate primary—remembering there was no incumbent—we were choosing a U.S. Senator for New Jersey, during a Presidential election, the final 2 weeks of the campaign. In Philadelphia, this is the amount of news coverage in the final 14 days of the election: WPVI in Philadelphia, an average of 19 seconds per evening; WVAU, in the public interest, on a federally licensed station, dedicated an average of 1 second per night to informing their viewers on the Senate campaign in its closing days. In New York, the situation was not very much different. WNBC—once again, a network-owned-and-operated affiliate, not some arm's length operating station, but NBC's own station in New York, in the final 2 weeks of the campaign—gave 23 seconds to covering the primary. At WCBS in New York, an average of 10 seconds was given to covering this.

As Robert McChesney wrote in Rich Media, Poor Democracy:

> Broadcasters have little incentive to cover candidates, because it is in their interest to force them to publicize their campaigns.

Exactly. Why would anyone provide free coverage in the public interest in hard news when, alternatively, candidates must pay millions of dollars to the stations themselves to get their message across? There is a disincentive to provide news because people have to pay for it.

The Brennan Center reports that, indeed, in the 30 days preceding the November elections, the national broadcasters averaged about 1 minute per night—1 minute—in substantive campaign coverage.

Rather than a discussion of substantive issues, the broadcast networks covered the campaign 2000 primarily as a horse race. Only one in four network news stations aired stories that were, indeed, issue oriented.

The chart on my left makes this comparison: what is happening in advertising in which candidates are now paying nearly a billion dollars, and what is happening in news coverage as required by Federal license. These are the top four rated TV stations in Philadelphia and New York.

Overall, a viewer in the State of New Jersey is 10 times more likely to see a paid political advertisement—10 times—than they are ever to see a news story, excepting that most of those news stories are scandal, and horse races, and are not news anyway.

Conceding they really are news, let's operate on the fiction they were putting news on the air. Nevertheless, one would be 10 times more likely to see a political advertisement.

Here are examples in Philadelphia: WPVI, 122 advertisements ran between May 24 and June 5. The number of news stories was 11. WNBC in New York, 99 advertisements, 16 news stories.

The fact is, news coverage has reached an all-time low. Just as the networks are evading their responsibility for the lowest unit cost under the law, they are also avoiding their responsibility to provide hard news.

During last summer's political conventions for Democrats and Republicans, ABC, CBS, and NBC reduced by two-thirds the hours they devoted to convention coverage of 1988, the last time there was an open seat Presidential election.

Broadcasters are in many respects public trustees. They should not be putting the public airwaves out to bid when political candidates want to communicate with their constituents. They receive their licenses by meeting FCC requirements under the 1934 Communications Act in the public interest. The law makes clear that the airwaves are public property and that they must be used for the ''public interest, convenience, and necessity.''

Indeed, perhaps maybe this Congress deserves some of the blame. In 1997, the Congress gave broadcasters digital TV licenses which doubled the amount of spectrum. If sold at auction, it would have brought in $70 billion. William Safire wrote:

> A rip-off on a scale vaster than dreamed. . .by the robber barons.

Bob Dole called it ''a giant corporate welfare scheme.''

What all this has meant is broadcasters taking advantage of this new technology without any new responsibility, and we have allowed this situation to deteriorate to the point of billion-dollar campaigns putting enormous burdens of time and money on the political system. That is, in my judgment, unsustainable.

In response to this gift of public assets, President Clinton appointed an advisory panel to update the public interest obligation of broadcasters. The panel advised broadcasters to voluntarily air 5 minutes a night in the 30 days before the election. During the 2000 elections, local affiliates of NBC and CBS agreed to the 5 minutes. Although these stations should be commended, they and other stations made similar decisions representing 70 percent of the 1,300 local stations.

Shockingly, ABC, which was the second biggest beneficiary of political advertisement last year, did not make any commitment at all. The refusal of ABC to join other broadcast networks was the broadest step toward further corporate irresponsibility.

In sum, what much of this means is that contrary to law and the national interest, the broadcasters have now developed a dependency on political advertising. As the chart on my left illustrates, this is now the source of revenues of television stations and networks, gaining 25 percent of all of their revenue from the automobile companies, the largest industry in America; 15 percent from retailers across the country, and, unbelievably, 10 percent of all revenues of television stations is now coming from political advertising.

If this, however, were a chart of Iowa or New Hampshire or early primary States, we would find during the Presidential elections that it is not third but first.

Even taking the network's greatest advantage of looking at this nationally, it is clear television stations have developed a dependency—indeed, an addiction—on political advertising. That is clearly not in the national interest.

What should, however, gain the attention of the American people is the almost unbelievable hypocrisy of the networks on this issue. They have joined the fight for campaign finance reform by criticizing the current finance system, and we welcome their assistance. If there is to be genuine reform, we are glad the voices of the networks have been part of the drumbeat of criticism to bring this Congress to a change. They want change. They just do not want to be part of it, recognizing there is a reason this money is being raised, and they are the principal reason.

Outside this Chamber, today the National Association of Broadcasters will have its lobbyists attempting to convince Members they should not bear any responsibility and they should be able to evade the current law and charge commercial rates for their $1 billion in political advertising. Indeed, since 1996, the National Association of Broadcasters has spent $19 million. While the network broadcasters are convincing the American people to change the political system, their lobbyists are in the hall spending millions of dollars in lobbying time convincing people not to lower costs, do not raise money, but keep spending it on us.

From 1996 through 1998, the National Association of Broadcasters and five media outlets together spent $11 million to defeat 12 campaign finance bills that would have, if implemented, reduced the cost of broadcasting for candidates.

Time's up. You wanted campaign finance reform and you were right, the

system should be changed, but you miscalculated because you are going to be part of that reform.

On a bipartisan basis, this Senate is going to vote today to implement a law which we intended a long time ago. These are public airwaves. There will not be price gouging for candidates for Federal office. This time will be sold at the lowest unit rate as was always our intention.

Under the Torricelli-Corzine-Durbin-Dorgan, et al., amendment, we are going to bring the letter of the law back in line with the spirit of the law.

Our intention is very simple: One, require broadcasters to charge candidates and political parties the lowest rate offered throughout the year. Therefore, the gouging that takes place because the networks know that we must advertise between Labor Day and election day will end. They will base these prices on the lowest rate throughout the year.

Second, ensure that candidate and party ads cannot be bumped, displaced, by other advertisers willing to pay more for the air time. Simply stated, to avoid the problem, as in the letter I indicated from one television station, where a candidate for public office attempting to communicate with their constituent is told that General Motors is willing to pay more for the same spot; therefore, either you pay what they will pay or your advertisement will run in the dead of the night.

Three, require the FCC to conduct random checks during the preelection period to ensure compliance with the law. In 1990, Senator Danforth of Missouri requested a similar audit by the FCC and for the first time revealed the extent to which broadcasters were not charging candidates the lowest unit rate. Although the crackdown resulted in a temporary dip in rates as broadcasters followed the law more closely, recognizing the FCC controlled their licenses, as soon as the study was finished, the monitoring was over, rates went up again, and the law was violated. This time we will monitor it, but we will monitor it permanently.

Savings that will result from this amendment are extraordinary, as is the ability to change the national political culture of the fundraiser, reducing costs, resulting in reduced fundraising. This is a great opportunity. I do not know a member of this Congress who wouldn't rather spend their time legislating than raising funds. I don't know a Member of this Congress who wouldn't prefer to be at home on the weekends with their family or constituents, rather than traveling around the Nation raising funds. This isn't something that anybody enjoys. There is an endless spiral of fundraising that is out of control, but it will not be stopped simply by eliminating soft money or making it more difficult to raise money of any kind. Candidates will find money within the law under some system unless we address the question of costs. In the modern political age, the cost of a campaign is easily defined. It is television. This is a network-driven process. And it can change.

My final chart illustrates the difference in running political campaigns in three jurisdictions. If the Torricelli-Corzine-Durbin-Dorgan amendment is adopted, the cost of running advertising in Los Angeles, the second most expensive media market in the country, would be a 75-percent difference by applying the lowest unit rate; in Denver, 41 percent; in Birmingham, AL, an incredible 400-percent difference.

This goes to the heart of the problem. We are simply requiring what was asked a long time ago. We do not do this to an industry that is struggling. The broadcast industry is making record profits by using Federal licenses with new technology that has been given without cost. Now, my friends, it is time to ask them to meet their responsibilities.

A new campaign finance system in America will require responsibilities and sacrifices by many people—certainly by every Member of Congress. This amendment will welcome the broadcasters into a new responsibility in being part of the answer to the problem rather than the core of the problem itself.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). Who yields time?

Mr. DODD. Mr. President, I yield 10 minutes to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CORZINE. Mr. President, I am pleased to join my esteemed colleague, the senior Senator from New Jersey and a number of other colleagues in offering this amendment to reduce the exploding costs of political advertisements on the airwaves. As Senator TORRICELLI has articulated and effectively demonstrated, this amendment would guarantee that candidate advertisements are not preempted by more favored, high-spending advertisers and that candidates are given the lowest available rate for the reserved time.

Mr. President, campaigns do cost too much. God knows, I know. To communicate with voters, at least in large States like New Jersey with multiple and expensive media markets, candidates must use television time. And television is very expensive. My campaign was charged as much as $55,000 for one 30-second spot alone in the weeks directly preceding the election. Others actually paid more.

When I began my run for the Senate, I was generally unknown to the community at-large. I had enjoyed a successful business career, which I thought would make a contribution to the Senate, the Nation, and my community. But virtually no one in New Jersey knew who I was or, more importantly, where I stood on the issues. Meanwhile, my opponents included a former Governor and a former Congressman who were very well recognized throughout our State. The Governor had run five statewide campaigns and the latter had been in Congress 8 years and politics most of his adult life. Certainly their experience should not have been disqualifying, but neither should a lifetime of participation in the private sector preclude the possibility for government service.

With that background, Mr. President, as you may know, New Jersey has no major in-State television market. Rather, north Jersey voters are served by New York City television stations while south Jersey voters are served by those from Philadelphia.

The trend in television news coverage is to spend less and less time on State and local races, and the problem is exaggerated in New Jersey where stations from other States devote little airtime to covering New Jersey politics.

As my senior colleague pointed out, in both the Philadelphia market and New York market, as we ran up to the primary, there was very little coverage. It averaged, if you looked across the two markets, 13 seconds per day during the 60 days leading up to the election. Think about that: 13 seconds a day for five candidates to express their points of view and get in front of the public. That is some debate. I do hope we can do something about it.

Compounding matters, there is also a trend away from covering substantive issues, as Senator TORRICELLI remarked, in favor of covering elections in horseraces, who is up, who is down, what the polls say, not what the issues are. For those candidates, such as myself, who want to engage voters on the issues, the only option is to purchase time from the high priced, out-of-State broadcasters in our case. The end result is the candidates, especially challengers, those who have not previously held public office, must grapple with hugely expensive media costs to stand a chance.

Let me be clear. Media exposure does not guarantee success. A bankrupt message will lose, despite a well-funded media campaign. I don't buy the argument you can buy an election. There are many examples of candidates who have spent significant amounts of money, only to lose. People who argue you can buy elections, in my view, underestimate the ability and the judgment of the voters. Still, while adequate exposure on television clearly is not sufficient to generate success, lack of exposure for many candidates almost certainly will guarantee failure, again, particularly for challengers and newcomers who might bring different experiences and perspectives to issues.

Congress recognized this media cost problem in 1971 when it required broadcasters to offer candidates the lowest price offered for a similar timeslot. Unfortunately, that legislation included a major loophole. Under the law, while local stations must offer a candidate the lowest available rate, the broadcasters are allowed to preempt those

commercials and broadcast them at a later time—in the case in New Jersey and Philadelphia markets, maybe at 3 a.m., as opposed to prime time. To guarantee that an advertisement is shown at a particular time, candidates are forced to pay premium rates. These premiums have increased the price of on-air time dramatically.

Not long ago, the Alliance for Better Campaigns issued a report entitled ''Gouging Democracy.''

I ask unanimous consent that the executive summary of this report be printed in the RECORD.

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

EXECUTIVE SUMMARY

Local television stations across the country systematically gouged candidates in the closing months of the 2000 campaign, jacking up the prices of their ads to levels that were far above the lowest candidate rates listed on the stations' own rate cards. They did so despite a 30-year-old federal law designed to protect candidates from such demand-driven price spikes. The stations apparently did not break the law; rather, they exploited loopholes in a law that has never worked as intended. In 2000, this so-called ''lowest unit charge'' [LUC] safeguard for candidates was overrun by the selling practices of stations, the buying demands of candidates, the sharp rise in issue advocacy advertising and the unprecedented flood of hard and soft money into political campaigns.

As a result, political advertisers spent five times more on broadcast television ads in 2000 than they did in 1980, even after adjusting for inflation. The candidates made these payments to an industry that has been granted free and exclusive use of tens of billions of dollars worth of publicly owned spectrum space in return for a pledge to serve the public interest. In 2000, the broadcasters treated the national election campaign more as a chance to profiteer than to inform. Their industry has become the leading cause of the high cost of modern politics.

This study is based on a comparison of political advertising sales logs and rate cards at 10 local television stations; an analysis of political advertising costs at all stations in the top 75 media markets in the country; and interviews with Democratic and Republican media buyers, television station ad sales managers and officials at the Federal Communications Commission. Its key findings:

Candidates Paid Prices Far Above the Lowest Published Rate. In the final months of Campaign 2000, federal, state and local candidates paid ad rates that, on average, were 65 percent above the candidates ''lowest unit charge'' rate published in the stations' own rate card, according to an audit of ad logs at 10 local stations across the country. The 10 stations are major network affiliates in large markets; in total, they aired more than 16,000 candidate ads.

Stations Steered Candidates Toward Paying Premium Rates. Television stations made their lowest candidate rate unattractive to candidates by selling ads at that rate with the proviso that they could be bumped to another time if another advertiser came forward with an offer to pay more. The LUC system is supposed to ensure that candidates are treated as well as a station's most favored product advertisers (e.g., the year-round advertiser who buys time in bulk and receives a volume discount). But unlike most product advertisers, candidates operate in a fast-changing tactical environment and need assurance that their ads will run in a specified time slot. During the height of the 2000 campaign, station ad salesmen routinely took advantage of these special needs and steered candidates toward paying high premiums for ''non-preemptible'' ad time.

An Explosion of Issue Advocacy Ads Caused Spikes in All Ad Rates. The biggest change in the marketplace of political advertising in recent years has been the explosive growth of party and issue group advertising; in 2000, it accounted for roughly half of all political ad spending. These ads are not entitled to LUC protection. In markets where there were highly competitive races, stations doubled and sometimes tripled issue ad rates in the campaign's final weeks. This had a tail-wags-dog effect on the pricing of candidate spots. The intention of the LUC system is to peg candidate rates to volume discount rates for product ads. But in 2000, candidates paid rates driven up by the demand spike created by the flood of soft money-funded issue advocacy ads.

Some Candidates Were Shut Out of Air Time. The heavy demand for political ad time squeezed some would-be candidate advertisers off the air. In some markets, television stations either ran out of inventory or refused to sell air time to down-ballot state and local candidates. These candidates are entitled to lower ad rates than issue groups and parties, but, unlike candidates for federal office, they are not guaranteed access to paid ad time.

Political Ad Sales Were at Least $771 Million . . . Stations in the top 75 media markets took in at least $771 million from Jan. 1 to Nov. 7, 2000 from the sale of more than 1.2 million political ads, almost double their 1996 take of $436 million.

. . . and May Have Hit $1 Billion. The $771 million figure is a conservative estimate. It covers ad spending on the 484 stations in the nation's 75 largest markets, but excludes the ad dollars spent on roughly 800 stations in the nation's 135 smaller markets. It also fails to account for the spike in ad rates that occurred close to Election Day. Some Wall Street analysts estimate the actual political ad revenue total was closer to $1 billion.

While Profiteering on the Surge in Political Spending, Stations Cut Back on Coverage. Even as it was taking in record revenues from political advertisers, the broadcast industry scaled back on substantive coverage of candidate discourse. Throughout the 2000 campaign, the national networks and local stations offered scant coverage of debates, conventions and campaign speeches, prompting veteran ABC newsman Sam Donaldson to remark that his network evening news political coverage had ''forfeited the field'' to cable. The industry also fell far short of a proposal by a White House advisory panel, co-chaired by the president of CBS, that stations air five minutes a night of candidate discourse in the closing month of the campaign. In the month preceding Nov. 7, the national networks and the typical local station aired, on average, just a minute a night of such discourse. This minimal coverage increased the pressure on candidates to turn to paid ads as their only way of reaching the mass audience that only broadcast television delivers.

Mr. CORZINE. According to this report, the cost of political advertising last year was $771 million, more than doubling the cost just 8 years ago in 1992. That is up from $375 million to almost $800 million. That is a conservative estimate. The fact is, media costs simply are growing out of control.

This is a chart I would like to see for earnings of a company I formally represented.

To avoid having campaign ads preempted, candidates are forced to pay prices above the lowest unit cost. Some 78 percent of the political ads on WNBC, a New York network affiliate—one of the prime spots for placing your ads in the New York media market—were purchased at a rate higher than the lowest published candidate rate for those timeslots in the fall of 2000. You will see here: WNBC—78 percent.

So we compare it equally with Philadelphia, where you also have to run in New Jersey, and 91 percent of the ads were sold at or above those lowest unit costs.

It is critical to remember that the public owns the airwaves. They are licensed to broadcasters but they belong to all of us. They are a public trust, gifted to the broadcasters for commercial use.

The Television Bureau of Advertising, based on estimates supplied by CMR MediaWatch, estimates that ad revenues for the broadcast television stations in 1999 exceeded $36 billion. Seemingly, the public spectrum has proved profitable for the television broadcasters: $36 billion. Consequently, it is not unreasonable to ask the stations to make time available so candidates can communicate with the voters.

An article by David Broder appearing in yesterday's Washington Post drives home the underlying motivation for this amendment. I ask unanimous consent the article 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, March 20, 2001]

WHERE THE MONEY GOES . . .

(By David S. Broder)

The Sunday television talk shows were focused on campaign finance reform, but no one was rude enough to suggest that TV itself is at the heart of the problem. The same subject is conspicuous by its absence in the campaign finance debate now underway in the Senate. For a change, the lawmakers are arguing seriously how to regulate the money coming into politics from business, labor and wealthy individuals. But they are ignoring where that money goes.

Voters I've interviewed seem to think this money goes into the coffers of the political parties or into the pockets of the politicians. In fact, the parties and the candidates are the middlemen in this process, writing checks as fast as the contributions arrive.

Many of the checks go to broadcasters for those 30-second ads that, in the final weeks of a campaign, fill the screen during the breaks in local news shows and popular prime-time series.

A report earlier this month from the Alliance for Better Campaigns, a bipartisan public interest group critical of the broadcasters, said that ''stations in the top 75 media markets took in at least $771 million . . . from the sale of more than 1.2 million political ads'' last year. If the figures for stations in the 135 smaller markets were added, it's estimated that the total take probably would be counted at $1 billion.

That reality is being ignored as senators debate rival measures, all of which have a common feature—reducing the flow of contributions that pay the campaign television

bills. Common sense tells you that if the TV bill remains that exorbitant, politicians will continue the ''money chase'' under any rules that are in place.

But that fact is suppressed in Senate debate for the same reason it was ignored on the TV talk shows: fear of antagonizing the station owners, who control what gets on the air.

The influence that broadcasters exercise in their home markets is reflected is the power their lobbyists wield in Washington. That is the main reason the major proposals before the Senate—one sponsored by Sens. John McCain and Russ Feingold and the other crafted by Sen. Chuck Hagel—have no provisions aimed at reducing the TV charges. Instead, they focus on the high-dollar ''soft money'' contributions to the political parties. McCain and Feingold would eliminate them; Hagel would limit their size.

The soft-money exemption from the contribution limits that apply to other gifts to candidates and parties was created in order to finance such grassroots activity as voter registration and Election Day turnout. But now most of the soft money is converted into TV issue ads, indistinguishable for all practical purposes from the candidates' electioneering messages.

The National Association of Broadcasters denies the Alliance for Better Campaigns' charge of price ''gouging'' in the last campaign. But there are no discounts for issue ads; they are sold at whatever price the market will bear. And the heavy volume of issue ads drove up the cost for all TV spots in the weeks leading up to Election Day, including those placed by candidates, thus fueling the money chase.

Whether the McCain-Feingold bill, or the Hagel substitute, or some blend of the two is passed, campaign cash will continue to flow to those television stations—and they will continue to charge the candidates and parties what the traffic will bear.

For years, some reform advocates have argued that no new law will be effective unless the cost of television can be brought down. McCain, in fact, has drafted a bill that would require the broadcasters—in return for their use of the public airways—to contribute perhaps one percent of their earnings to finance vouchers that the parties and candidates would convert into payment for TV spots. Estimates are that it would go a long way toward eliminating the need for private funding of the TV side of campaigns.

But McCain does not plan to offer this as an amendment during the current debate, fearing that the broadcasters' lobby would turn enough votes to kill the underlying bill. It is possible that other senators may offer amendments designed to reduce the need for billion-dollar political TV budgets, but their prospects are poor.

The reality is that any measure that becomes law without such a provision is likely to be no more than a Band-Aid. As long as broadcasters can continue to treat politics as a profit center, not a public responsibility, the money will have to come from somewhere to pay those bills. The current debate focuses too much on the people who write the checks. It's time to question, as well, where the money goes.

Mr. CORZINE. He writes:

Common sense tells you that if the TV bill remains . . . exorbitant, politicians will continue the ''money chase'' under any rules that are in place.

This amendment seeks to lower the cost of television to reduce that money chase by lowering the amount of money necessary to run for election.

Many would argue if we truly want to get rid of this money chase in politics, we should guarantee free air time for public debate. I agree, but for today we argue only for TV time at the lowest cost per unit. That is all this amendment does. It requires broadcasters to make time available on a nonpreemptable basis at the lowest cost offered to anyone for that time period, and it requires the FCC to conduct periodic audits to ensure compliance.

This does nothing more than enforce the original intent of Congress when it first required broadcasters to make time available at the lowest unit rate. This simple but powerful reform potentially will bring sanity to the cost of 21st century campaigns.

I urge my colleagues, as Senator TORRICELLI has before me and others will after, to support this amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I am about to yield to my colleague and friend, Senator DORGAN, but I wish to commend both of our colleagues from New Jersey—Senator TORRICELLI for being the lead sponsor of this amendment and Senator CORZINE and others for their cosponsorship of it and to Senator CORZINE for some excellent remarks on the purpose of this amendment.

I will take some time later on this morning to address the substance of the amendment, but I commend both of my colleagues for their efforts. This is very well thought out. The point Senator CORZINE made that we sometimes forget is that these are public airwaves which we license people to use for commercial purposes. Nothing is more important than making people aware of the choices, both issues and substantive choices as well as political choices that they make in national, local, or State elections. We can't say anything about local or State elections, but we can about national—Federal elections.

I think Senators TORRICELLI, CORZINE, DORGAN, and DURBIN have hit on a very important point if this bill is to do truly what its authors intend it to do.

I yield 15 minutes to Senator DORGAN.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I say to Senator TORRICELLI and my other colleagues who have cosponsored this amendment, they have done a real service, in my judgment, in this debate. This is an amendment that can hardly be opposed by Members of the Senate. It makes so much sense and is so overdue.

Let me begin in a more general way talking about campaign finance reform and then describing why this amendment is critical to the success of this effort.

This Saturday there was a story in one of the major city newspapers in this country. I do not think I will identify the people in the story, but I want to use this story to make a point. It is a story about a group who has gathered to fund certain political campaigns. It says they met in a conference room, 40 business executives, investors, wealthy folks gathered at a law firm conference room, and they had some candidates come in and they would make presentations to the gathered potential donors. Then the donors would score them, 1 to 10, and determine who was best, who were the best candidates.

It was like a beauty contest without the bathing suits or good looks, I guess. You have the candidates come in this law office conference room, make their presentation, and they get a score of 1 to 10. Apparently after the candidates have made this presentation, this group of investors would decide who they were going to support. In this case, the story was about a Member of Congress now who went to this conference room, made a presentation, scored in the 10s, I guess, and then this group of 40 people said: You are our guy. What we are going to do is, we are going to do a couple of hundred thousand dollars worth of television advertising for you—independent issue ads—and then, second, we are going to bundle some money and get you a couple of hundred thousand dollars in checks.

So this little beauty contest produces $400,000 for a candidate. The group evolved from a small core of Wall Street bigwigs led by so-and-so. Their goal is to target large sums of money to specific kinds of candidates who come in and survive this little beauty contest they have.

Do we need campaign finance reform? Of course we do. That is just one evidence of the desperate need for campaign finance reform. You bet we need it. I support the McCain-Feingold bill. I admit it is not perfect. I might have written some sections differently. It may need to be changed some. But it is a piece of legislation this Congress ought to embrace.

Fifty years ago we effectively had no rules with respect to campaigns. There were no limits, no reporting requirements, and there was an exchange of money in this town in paper bags or envelopes; it could be in cash. The amount of money was donated and unreported.

Was that a system that worked? Of course not. That desperately needed to be changed and it was in the early 1970s. We had the reforms of 1974 that tried to establish certain limits and tried to establish certain reporting. In many ways it worked, in some areas, but in other ways it has not worked. Money and politics are like water finding a hill. They run downhill inevitably.

There is in this political system, rather than a competition of ideas is, which is what democracy ought to be about, a mad rush for money in order to pay the costs of television advertising, which has become the mother's milk of politics. What has happened to their competition of ideas in this blizzard of television advertising? Ideas are

almost gone, nearly obliterated. The orgy of 30-second advertisements in this country is a slash-and-burn and hit-and-run negative attack, often by nameless and faceless people, in many cases by organizations that are not part of political parties. They are independent organizations collecting unlimited money from donors who are undisclosed.

Do we need campaign finance reform? Darned right, we do. This system is out of control.

In this morning's Washington Post there is a columnist who really makes the case about, what we need in politics is more money, that we just need more money in this political system. I wonder, has this person been on some kind of space flight somewhere? Did the shuttle take him up, and have they gone for the last 10 years? Could they not have failed to see in September and October—and even before in every election year, especially last year—the blizzard of advertisements, the 30-second ads in every venue of every kind?

Our political system doesn't need more money. In fact, what has happened—and I think that is what has prompted this amendment—is that politicians have become collectors of money in order to transfer the money to television stations that become the large beneficiaries of this new system of ours.

My colleague, Senator TORRICELLI, has offered an amendment that says the television stations in this country have a responsibility to do what the law says they should do—that industry has a responsibility to sell political time for political advertisements to candidates at the lowest rate on the rate card. But that has not been happening. What has happened in the communications business—especially television and radio—is a galloping concentration and mergers. Since the 1996 Telecommunications Act, we have seen a rash of mergers and large companies becoming larger. In virtually very State, there are fewer television stations owned locally, and more are owned by large national combines.

Guess what happened. The result is they make decisions now about the ad prices and the rate cards they are going to use for politics. They are maximizing their revenue from the political income in this country.

My colleague described what is happening in New Jersey. I think that is important, because he describes the substantial increase in costs of television advertising for political purposes in New Jersey.

Let me describe what happened in North Dakota. The advertisement that cost a mere $290 in 1998 to clear an ad on four NBC stations in western North Dakota—remember that this is a sparsely populated area, and the rates are much different from in New Jersey and New York—but a $290 or $300 advertisement 2 years go sold at $753 last fall, nearly tripling the advertising rates of the television stations in a small State such as North Dakota.

I am told that the two Federal races paid almost exactly double for about the same time on the television stations in North Dakota in the year 2000.

This isn't just about big markets, it is about every market, and it is about the television industry deciding it is going to profit as a result of being able to ignore, effectively, a provision that exists in law requiring the sale of television advertising at the lowest rate on the card for political advertising.

I happen to think we ought to do more in reform with respect to advertising. I know some think this would be too intrusive. But, as I indicated, I think political campaigns ought to be a competition about ideas. They ought to be about competing ideas of what we need to do in this country to make this a better place in which to live. They have instead become this machine gunfire of 30-second advertisements.

I would like to see at some point that we require the lowest rate on the rate card to be offered to those who purchase a 1-minute ad, require the television industry to sell ads in 1-minute increments, and require the candidate to appear on the ad three-fourths of the time of the 1-minute ad. That would really require people to use television advertising to tell the American people what they are about. If they want to criticize their opponent, good for them. But they would have to do it in person on the air.

I think that would really change a lot of political advertising in this country, and I think America would be better served to have positive debate about what the candidate stands for; one would stand for one set of ideas, and the other would stand for another set of ideas; and let people make a choice. But these days, that is not what you have. You have a rush to try to destroy one candidate by the other, and in many cases we are seeing expenditures and unlimited money coming from undisclosed donors. That doesn't serve this political system at all.

My colleague says let us at least solve this problem by adding to the McCain-Feingold bill. As I indicated when I started, I support the McCain-Feingold legislation because I think it is a significant step in the right direction. But it will be incomplete if we do not add this amendment because this amendment will finally tell the television industry: You must do what the law requires. Here is exactly what Congress says the law has required for some long while that you have gotten away from doing. If we don't do this, we will not see an abatement to this mad rush for money and the requirement that those who are involved in politics collect funds in order to transfer those funds to the television stations that are now charging double and triple for the advertising that is required in America politics.

I really believe this is a critically important amendment.

I must say my colleague from New Jersey, Senator TORRICELLI, made an outstanding presentation. He has done his homework, as I described, with one of my colleagues. He has made a very effective presentation of why this is necessary.

Let me make an additional point about the television industry. I think the television industry does some awfully good things in our country, and all of us take advantage of it almost every day. And we appreciate the good things they do. But, as we know, the television industry was provided a spectrum. The public airwaves were given to broadcasters free on the condition they serve ''the public interest, convenience, and necessity.''

According to a study by the Norman Lear Center at the University of Southern California, during the 2000 campaign the typical local television station in a major market aired just 45 seconds of the candidate's second discourse per night during a month before November 7. Why? They know what sells on the news. They are chasing ambulances, they are not covering political campaigns.

There were stories about this in the last campaign. Too often television stations decided they weren't going to put campaign news in the news strip, let people buy it, and at the same time on the commercial side of the station they were jacking up the price of their ads and preventing candidates from accessing the lowest unit cost.

I think on the issue of public interest, convenience, and necessity, we have a ways to go in the television industry dealing with the coverage of political campaigns.

Major broadcast networks performed only slightly better—airing just 64 seconds a night of a candidate's discourse per network, according to an Annenberg Public Policy Center report.

The question is, How are the American people to gather information about the competition of ideas that ought to exist in the political race over the newscast? Hardly. The news industry, including the networks, is not covering most of these campaigns. And local stations have decided increasingly that there is a menu for their nightly news, and they understand exactly what it is. It is often dealing with crime, even while crime goes down.

Incidentally, there are wonderful studies about this which show decreased crime rates and increased viewing of stories about violent crime on the nightly news because that is what sells.

It is time for us to ask for something better and something different from the television industry. In this circumstance, we are simply asking them to do what we believe the law has required them to do but what they have been refusing to do in recent years, and that is to sell 45 days before a primary and 60 days before a general election to candidates for public office at the lowest unit charge of the station for the same class and amount of time for the same period as for the commercials

that are aired on those stations. That is what the requirement is.

It is what they have not been doing, and it is what Senator TORRICELLI and Senator CORZINE, Senator DURBIN, I, and others say it is time to be required to do.

So I am pleased today to support this amendment. I think it is a very important amendment, and I am especially pleased my colleague, Senator TORRICELLI, has taken the lead to offer it today.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, let me inquire, how much time remains on the proponents' side?

The PRESIDING OFFICER. Seventeen minutes 45 seconds.

Mr. DODD. How much time remains on the other side?

The PRESIDING OFFICER. Ninety minutes.

Mr. DODD. May I inquire of my colleague from Kentucky—if I could interrupt for 1 second—we are down to about 17 minutes on the proponents' side. Will my colleague from Kentucky be willing at some point to yield us a little time if we need it?

Mr. MCCONNELL. Mr. President, I would be happy to yield some time. I am unaware of speakers at the moment in opposition to the Torricelli amendment. There may be some. Actually, I know of one who wants to speak. He is not on the floor at the moment. So we will be casual about time, and I will make sure we can accommodate all speakers.

Mr. DODD. How much time does my colleague want?

Mr. TORRICELLI. Let me inquire. We have several colleagues who want to speak on behalf of the amendment. While I want to speak, I do not want to take all the time that remains. So I am under the Senator's guidance.

Mr. DODD. Why not take the time the senator's need, and I am confident my colleague from Kentucky will yield us some time if we need it.

Mr. MCCONNELL. I say to my colleague from New Jersey, I am not exactly swamped with speakers requesting time. I will be glad to work with the Senator to have adequate time.

Mr. TORRICELLI. I thank the Senator very much.

At this point, I want to deal with several of the questions that have been put before the Senate. In the absence of anyone coming to the Senate floor to confront the overwhelming logic of our amendment, I want to deal with the stealth arguments being presented in Senators' offices. Even though no one will rise in defense of this indefensible cause of the networks, nevertheless, there are silent arguments being waged. I will debate those even if there is not someone in person to do it.

As some of my colleagues have noted, some of the most effective arguments were actually made yesterday in the Washington Post by David Broder, the columnist. Let me begin by quoting those arguments. I quote:

> The reality is being ignored—

That is in dealing with McCain-Feingold—

> as senators debate rival measures, all of which have a common feature—reducing the flow of contributions that pay the campaign television bills. Common sense tells you that if the TV bill remains that exorbitant, politicians will continue the ''money chase'' under any rules that are in place.

Exactly. Further:

> The reality is that any measure that becomes law without such a provision—

Parenthetically, that meaning the cost of television—

> is likely to be no more than a Band-Aid. As long as broadcasters can continue to treat politics as a profit center, not a public responsibility, the money will have to come from somewhere to pay those bills. The current debate focuses too much on the people who write the checks. It's time to question, as well, where the money goes.

That is the heart of the argument for this amendment.

Where does the money go? Mr. MCCAIN and Mr. FEINGOLD deal with the demand for money. We are dealing with the supply of the advertisements. This is an equation that inevitably must be dealt with together in the bill.

It has been noted by my colleague, Senator CORZINE, of our experience in the New York metropolitan area, although indeed we do so simply because we are the most familiar with it. The arguments we are making about New York and Philadelphia could be made in any market in the country, al though I want, parenthetically, to deal with how the networks are approaching political campaigns today, not as a responsibility to enhance communication but as an economic opportunity.

It should be noted that of the 10 stations that made the most money from political advertising in the year 2000, three are in New York: NBC, ABC and CBS; two are in Philadelphia, WPVI and WCAU. They range from WNBC in New York, which placed $25 million of advertising, and in Philadelphia with $11 million for WCAU. It is best described by the sales director at the CBS affiliate in Philadelphia as ''the best year we've had in forever.''

Why was it the best year and why all this excitement?

Let me quote from an article by Paul Taylor, former Washington Post political reporter. Quoting the CBS affiliate in Buffalo, WIVB-TV, Patrick Paolini, general sales manager, who said:

> We're salivating. No question it will be huge as far as ad revenue [is concerned] . . . It's like Santa Claus came. It's a beautiful thing.

He was not talking about the quality of the debate. ''Santa Claus coming'' was not about substantive arguments to help the people of New York. He was talking about the prospects of HILLARY RODHAM CLINTON running for the Senate and the potential revenues, recognizing the expenditures in a Clinton Senate campaign. ''We're salivating.'' ''It's a beautiful thing.'' ''It's like Santa Claus came.''

It is not by chance that we come today making this argument. There has been a calculation by television networks to take advantage of this political system and this fundraising to maximize their profits.

There are arguments going on in Senators' offices as we speak. Papers are being circulated, as I have suggested, in the absence of any Senators coming to argue against this amendment. Stealth arguments are being made to Senators' offices. Let me go through a few of these arguments for a moment.

The National Association of Broadcasters is arguing, first, that we are going down the slippery slope of free time.

My colleagues, there is no amendment before the Senate requiring free time. Indeed, there could be an argument for it. All of our European allies, in every other industrial democracy in the world, broadcasters are required to provide free time to help the public debate. We are not doing that today. It would be warranted, but it is not being argued.

We are simply requiring that the law read as many Senators believe it already exists—lowest unit cost. We are closing a loophole in the current law.

Second, the National Association of Broadcasters is arguing in Members' offices that: Candidates already receive a 30 percent discount on regular commercial ad rates. Oh, my colleagues, if only it were so. As I think we demonstrated earlier in my arguments, that is a fiction. Candidates are not getting 30 percent. Yes, that is the law. That is what should be happening. But as we have demonstrated—in Minneapolis, 95 percent of advertising is now being done at commercial rates, 4 percent is at lowest unit rate; in Detroit, 8 percent is at lowest unit rate; in Philadelphia, 9 percent; in San Francisco, 14 percent; in Las Vegas, 38 percent; in Seattle, 9 percent.

No, National Association of Broadcasters, you are not providing a 30-percent discount. That is the exception. The rule is, you are price gouging. You are charging commercial rates—contrary to current law.

Third, arguing that: This has a fundamental, constitutional problem. There is no constitutional problem. First, we have had, for more than 30 years, the requirement that ads must be sold at the lowest unit rate. We are not doing anything new. We are closing a loophole in current law. If there is a constitutional argument now, then there has been a constitutional argument for decades; and it has never been raised before, although, frankly, even if it had been, it would have failed.

The fifth amendment's taking challenge would fail in this provision. There is no right to a grant of a license or property interest in the use of a frequency. The networks have a public license to use the public frequencies for their network business. There is no

constitutional right to it. You apply for a license, and you can get that license subject to conditions. Public responsibility is one of those conditions.

Selling air time for the public debate at a reasonable cost is another condition. That has always been a condition.

Under section 304 of the Communications Act of 1934, broadcasters are required to ''waive any claim to the use of any particular frequency or electromagnetic spectrum as against the regulatory power of the U.S.'' There they have waived the constitutional right to claim that the spectrum must be used for public purposes.

In Federal Communications Commission v. Sanders Bros. Radio Station, a court decision, the Supreme Court of the United States interpreted this provision to mean that:

> No person is to have anything in the nature of a property right as a result of granting a license.

There simply is no constitutional right impaired by asking these reduced rates.

Finally, the broadcasters are arguing, in correspondence to our offices, that broadcasters should not bear the burden of campaign reform. Why not? Isn't dealing with the campaign finance problems of the country everybody's responsibility? We are saying that candidates for public office should no longer avail themselves of soft money, should abide by certain rules. Why indeed should broadcasters not bear some of the responsibilities? Do they not have public licenses? Do they not have responsibility to air the news fairly, cover campaigns, to inform the public? Should they be allowed to price gouge?

They make the argument: What about newspapers? Shouldn't newspapers bear this responsibility? I don't know a newspaper in America that deals with a Federal license, nor are newspapers under the same circumstance of a market that will only permit so many newspapers. The spectrum has limited the number of television stations; hence, the FEC's requirements and Federal law.

These National Association of Broadcasters arguments are an insult. They confirm the arrogance with which the networks are approaching Federal campaigns, the arrogance that is leading to avoidance of Federal responsibilities, the selling at lowest unit rate cost, or the raising of these extraordinary arguments without merit.

That is the sum and substance of the case they are making. To the credit of my colleagues, they are so meritless in their points that no one will actually argue their point of view. Hence, I challenge them alone.

We have other colleagues who have come to the floor to make their case. I yield the floor. Senator DURBIN will be available to speak to the Senate.

Mr. DODD. Mr. President, I commend my colleague from New Jersey, once again, for raising the arguments that are being circulated around the offices of the Senate and pointing out the fallacy of those arguments.

The facts are inarguable, when you look at the rates that are being charged in major markets all across the country. It goes back to the heart of the bill. As we are trying to keep down costs, for many of us it runs somewhere around 75 or 80 cents on the dollar that is spent on TV advertising. It varies from State to State, I am sure, but that is not an unrealistic number in modern campaigns to spend that much of a campaign dollar on TV advertising, considering how much the public relies on television for its sources of information.

If we are truly trying to put the brakes on the ever-spiraling cost of campaigns, as my colleague from Wisconsin has eloquently described, there is no natural law that I know of which says that the costs of campaigns ought to continue to rise at the rate they have been rising over the last few years. Trying to do something about cost as well as the amount of dollars that are raised is the second part of this equation.

If we are making the case that we don't need more money in politics, that case is more easily made if we are able to demonstrate that we can reduce the cost of trying to speak to the American public about what our views are, what their choices are, as we encourage people to participate in the electoral process.

I thank our colleagues, the authors of this amendment, for offering the amendment and making the case they have. I know our colleague from Illinois, who is a cosponsor of the amendment, wants to be heard. I see my colleague from Wisconsin. Maybe he would like to take a couple minutes before Senator DURBIN arrives. I yield a couple of minutes to the Senator from Wisconsin.

Mr. FEINGOLD. I know the Senator from Illinois is coming. I will take a moment or two. I appreciate the Senator from Connecticut giving me the time so I can indicate my support for this amendment. I think I can speak for the Senator from Arizona as well. We are going to support this amendment.

The Senator from New Jersey has laid out the substantive arguments very persuasively. I wish to say a word or two about how this amendment relates to our overall McCain-Feingold bill and why it is very consistent with reform. The Senator from Connecticut has already mentioned this, pretty much foreshadowing what I will say.

The most important point is that the amendment compliments the soft money ban. The bottom line of our legislation is, we have to get rid of this party soft money that is growing exponentially. The reality, though, as the Senator from New Jersey has pointed out, is that in a post-soft-money world, the amount of money available for a candidate in party advertising will be significantly reduced. That is how it should be. That is what we must do.

Reducing the cost of television time will have the very beneficial effect of reducing the impact of the loss of soft money on the ability of candidates to legitimately get their message out. The parties will only have hard money to spend. For that reason, it is appropriate to allow them to use the lowest unit rate as well.

The fact is, this amendment can help make the legislation work. This amendment will help the parties to adjust to the new world of fundraising for only hard money, and it will help candidates have the sufficient resources to respond to ads that will still be run by outside groups.

Some of the concerns about all the money that would flow to the outside groups are overblown. I don't think all the money will flow. It is false that all the corporations will give their money in that way. The fact is, there still will be these ads and people will still need to respond. The Torricelli amendment does make it possible for people to have that ability to respond through the legitimate, controlled, regulated, and disclosed hard money system.

Like the soft money ban in this bill, the amendment will take our election law back to its original intent. The soft money ban reinvigorates the century-old prohibition of corporate spending in connection with Federal elections. Lowest unit rate, on the other hand, was intended to give candidates a significant discount for advertising so they could get their message out. The practice of having preemptible and then, on the other hand, nonpreemptible classes of time was not contemplated by the lowest unit rate statute. What this amendment does is bring the LUR back to what the Congress intended it to be.

In my mind, it is very similar to what the soft money ban does. It takes us back to where we were supposed to be. We are talking in both cases about loopholes that have helped destroy an entire system that actually was pretty well thought out. But loopholes do occur, and this amendment helps us close them.

The Senator from New Jersey already did a fine job on this. I reiterate, this is not a slippery slope. This is not the next step to free time. I wish it was. There ought to be free time for candidates. There ought to be reduced television costs, but LUR is not free time. The original McCain-Feingold bill, when Senator MCCAIN and I first came together to work on a bipartisan basis, was about voluntary spending limits in return for reduced costs for television time. That is something we were unable to get a majority of the Senate to support. That is not what this amendment does. This amendment simply makes LUR effective and useful in practice for candidates.

I thank the Senator and appreciate his very serious involvement in this campaign finance debate and, in particular, for this amendment that, as I indicated, Senator MCCAIN and I tried

for 5 years to finally get this bill on the floor. We always said we have our ideas, but we believe that if this bill is brought to the floor of the Senate, the Members of the Senate will make it a better bill. Every one of us is an expert on this issue. If we come out and have an honest, open debate as we are having now, it will get better. The Torricelli amendment is proof of that proposition.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I yield myself whatever time I may use. I assure my colleagues from Connecticut and from Illinois it will be short.

I have been very pleased by the debate so far on this subject and, frankly, somewhat surprised. The comity in the Senate has been excellent. There has been a total absence of unsubstantiated charges of corruption, which we had on the floor the last time this debate came up. That is a step in the right direction.

On that subject, in today's Washington Post, there was an interesting article by George Will, a columnist. I ask unanimous consent that the article 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, March 20, 2001]

DROPS IN THE BUCKET

(By George F. Will)

McCainism, the McCarthyism of today's ''progressives,'' involves, as McCarthyism did, the reckless hurling of imprecise accusations. Then, the accusation was ''communism!'' Today it is ''corruption!'' Pandemic corruption of ''everybody'' by ''the system'' supposedly justifies campaign finance reforms. Those reforms would subject the rights of political speech and association to yet further government limits and supervision, by restricting the political contributions and expenditures that are indispensable for communication in modern society.

The media, exempt from regulations they advocate for rival sources of influence, are mostly John McCain's megaphones. But consider how empirically unproved and theoretically dubious are his charges of corruption.

What McCain and kindred spirits call corruption, or the ''appearance'' thereof, does not involve personal enrichment. Rather, it means responding to, or seeming to respond to, contributors, who also often are constituents. However, those crying ''corruption!'' must show that legislative outcomes were changed by contributions—that because of contributions, legislators voted differently from the way they otherwise would have done.

Abundant scholarship proves that this is difficult to demonstrate, and that almost all legislative behavior is explainable by the legislators' ideologies, party affiliations or constituents' desires. So reformers hurling charges of corruption often retreat to the charge that the ''real'' corruption is invisible—a speech not given, a priority not adopted. That charge is impossible to refute by disproving a negative. Consider some corruption innuendos examined by Bradley Smith, a member of the Federal Election Commission, in his new book ''Unfree Speech: The Folly of Campaign Finance Reform.''

In April 1999, Common Cause, McCain's strongest collaborator, made much of the fact that from 1989 through 1998 the National Rifle Association had contributed $8.4 million to congressional campaigns. However, that was just two-tenths of one percent of total spending ($4 billion) by congressional candidates during that period. How plausible is it that NRA contributions—as distinct from the votes of 3 million NRA members—influenced legislators?

Common Cause made much of the fact that in the 10 years ending in November 1996, broadcasting interests gave $9 million in hard dollars to federal and state candidates and in soft dollars to parties. Gosh. Five election cycles. Changing issues and candidates. Rival interests within the industry (e.g., Time Warner vs. Turner). And broadcasters' contributions were only one-tenth of one percent of the $9 billion spent by parties and candidates during that period. Yet, as Smith says, Common Cause implies that this minuscule portion of political money caused legislative majorities to vote for bills they otherwise would have opposed, or to oppose bills they otherwise would have supported, each time opposing the wishes of the constituents that the legislators must face again.

As Smith says, to prove corruption one must prove that legislators are acting against their principles, or against their best judgment, or against their constituents' wishes. Furthermore, claims of corruption seem to presuppose that legislators should act on some notion of the ''public good'' unrelated to the views of any particular group of voters.

Although reformers say there is ''too much money in politics,'' if they really want to dilute the possible influence of particular interests (the NRA, broadcasters, whatever), they should favor increasing the size of the total pool of political money, so that any interest's portion of the pool will be small. And if reformers really want to see the appearance of corruption, they should examine what their reforms have done, have tried to do and have not tried to do.

Smith notes that incumbent reelection rates began to rise soon after incumbents legislated the 1974 limits on contributions, which hurt challengers more than well-known incumbents with established financing networks. After 1974, incumbents' fundraising advantages over challengers rose from approximately 1.5 to 1, to more than 4 to 1.

Early 1997 versions of the McCain-Feingold and Shays-Meehan reform bills would have set spending ceilings—surprise!—just where challengers become menacing to incumbents. Shays-Meehan set $600,000 for House races. Forty percent of challengers who had spent more than that in the previous cycle won; only 3 percent of those who spent less won. In 1994, 1996 and 1998, all Senate challengers lost who spent less than the limits proposed in the 1995 and 1997 versions of McCain-Feingold.

There are interesting limits to McCain's enthusiasm for limits. His bill does not include something President Bush proposes—a ban on lobbyists making contributions to legislators while the legislature is in session. Such a limit would abridge the freedom of incumbents. Campaign finance reform is about abridging the freedom of everyone but incumbents—and their media megaphones.

Mr. MCCONNELL. It was on the whole subject of unsubstantiated charges of corruption.

In my view, as I have said in the past, and repeat again today, when people make those kinds of charges, they need to back them up. I am quite pleased there have been no such charges made during this debate. It produces an atmosphere that makes it more likely that we can better legislate.

This is the second amendment offered in the last 24 hours that I think addresses some of the real problems in today's campaign finance reform debate. The first problem that we addressed yesterday was the problem of the millionaire candidate. It passed 70–30. It was an excellent amendment by Senator DOMENICI and Senator DEWINE and Senator DURBIN that actually addresses a real problem we have in today's campaigns.

Now we have another amendment that addresses a real problem. I commend the Senator from New Jersey for a thoughtful, well-researched, and, in my view, conclusive case, that the law that has been on the books for 30 years requiring the broadcasters to sell candidates time at the lowest unit rate ought to be complied with. None of us likes having to raise money. But it is my view that it is better than getting it out of the Treasury. I assume we will debate later whether or not the taxpayers ought to pick up the tab for our campaigns. If it is inconvenient for us, it ought to come through our efforts, not somebody else's.

As the Senator from New Jersey pointed out, and very persuasively, no matter how many hours there are in a day, with the declining value of the $1,000 contribution set in the 1970s, when a Mustang cost $2,700, and inflation in the television industry, far beyond the CPI—coupled with an apparent unwillingness that we have all experienced in our States of broadcast stations to cover campaigns in the news—we are, in effect, blacked out in terms of earned coverage.

The need for commercials is critical and essential. So what the Senator from New Jersey is saying is, let's apply the law, as originally written, correctly. Give candidates for public office an opportunity to get their message across. I think it is an amendment, the passage of which is necessary if we are going to address one of the real problems in the current campaign finance system.

This is something of a historic moment. I think Senator MCCAIN, Senator FEINGOLD, and I are going to be on the same side of an amendment. Come to think of it, it is the second time.

I commend the Senator from Wisconsin, also, for his consistent opposition to amending the first amendment for the first time in 200 years. He and I have been on the same side of that issue over the years. This will be the second time we have been on the same side. I think it bodes well as we move forward in this debate.

In my judgment, we are actually improving this bill. I hope we will make other improvements as we go along. I intend to support the Torricelli amendment. I commend the Senator from

New Jersey for a completely well-researched, documented case that addresses one of the real problems we have in American politics in the year 2001.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I don't know if I need specific time yielded. I ask for 20 minutes.

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. MCCONNELL. I had yielded the Senator 20 minutes.

Mrs. BOXER. If my friend will yield for a moment, I wonder if the Senator from Kentucky will give me 5 minutes at the conclusion of Senator DURBIN's time. I would appreciate it.

Mr. MCCONNELL. I will be happy to do that.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Illinois is recognized.

Mr. DURBIN. I thank the Senator from Kentucky for graciously allowing me to speak.

Back in the early 1960s, Newt Minow, of Chicago, was named Chairman of the Federal Communications Commission by President John Kennedy. He came up with a phrase to characterize television at that moment in our history, which has become legendary. Newt Minow called television in the early 1960s, ''the great wasteland.'' He took a look at what was available on television and suggested that the American people deserved better. It triggered a national debate for reform and creative thinking about the role of television.

I say today, if you look at the role of television in this debate on political campaigns and public issues, television is not just a great wasteland, television has become a killing field because the people who run the television stations, the networks and local broadcasters, have forgotten the bottom line: their responsibility to the American people.

You see, they are selling a product. It is something they create; it is programming—the types of things we like to watch on television, such as sports, news, and entertainment. But their business is different than any other. The way they sell their product is on something that we as Americans all own—the airwaves. The television stations don't own the airwaves. We tell them: You can rent the airwaves; you can lease the airwaves, and we will license you to use the airwaves, but we expect you to do it in a responsible way.

Today we are engaged in a debate—and all this week—on campaign finance reform. Many people have suggested changes that are significant. I salute Senators FEINGOLD of Wisconsin and MCCAIN of Arizona. I have been a cosponsor of the bill. They are talking about the sources of money that go into political advertising. We all know that the sources have become scandalous in size and, frankly, in their special interests. I think they are on the right track to clean up the money going into political campaigns. But the important thing to remember is that just dealing with the supply side, if you will, of political campaigns, the sources of campaign contributions misses the point.

Do you want to really reform political campaigns in America? You can't even have a serious conversation about that, unless you address the role of television. Television used to be a tiny part of political campaigns, but it has grown almost out of control.

Take a look at these numbers—political advertising on broadcast television. Starting in 1970, network expenditures were $260,000. Come down to the year 2000, 30 years later, and it is $15 million-plus. Station TV used to be about $12 million in the 1970 cycle. Now we are up to $650 million. The total expenditure for the year 2000 was estimated to be some $665 million. Well, the Alliance for Better Campaigns came out and said it was going to be between $771 million and $1 billion spent on television by political campaigns.

So what we have, in fact, are efforts by candidates of both political parties to raise money to give to television and radio stations in an effort to get your message out to the American people. When we created these stations and we acknowledged that the public owned the airwaves, we also said when it came to political advertising, candidates would be treated differently than other advertisers—something called the lowest unit charge. We basically said that if there was a bargain at the TV station, the bargain should be given to the political candidate. That is in the interest of sharing information on public issues, but also in keeping the cost of political campaigns under control.

But, sadly, though the law required, as of 1971, that the lowest unit charge be charged to candidates in their campaigns, the fact is that candidates are paying more and more. Why? Because if you go to a television station in Chicago, or in Springfield, IL, and say you want to buy a 30-second ad right before the newscast the night before the election, they will say: Senator, great. We will be glad to sell you that ad. Incidentally, if we only charge you the lowest unit rate, the bargain basement, sadly, if anybody comes and offers a dollar more for that ad, we knock you off the air.

Well, there isn't a political candidate with any good sense that will agree to that. If you are going to be knocked off the air right before the news and they put you on right before the Pledge of Allegiance and the Star-Spangled Banner at the end of the night, you have lost everything. Your market doesn't have the benefit of all the good things you have to say.

What candidates are doing is not paying the lowest unit charge, they are paying the inflated charges. The television stations have become a killing field, because they have taken the law, which said we are going to favor candidates in public discourse of issues, and have turned it upside down so that candidates, frankly, end up paying dramatically more than the lowest unit rate. The cost to the campaign skyrockets, and then candidates, incumbents and challengers alike, scramble, beg, and plead for people to give them money so they can give it right back to the television stations.

That is why the Torricelli amendment, of which I am a cosponsor, is so important. It addresses the demand side of political campaigns—not just the supply side, where the money comes from, but how the money is spent. Sadly, as we get closer to election day and the demand for their TV ads goes up, these stations raise their rates dramatically.

A gentleman by the name of Paul Taylor, who used to write for the Washington Post, created a group called Alliance for Better Campaigns. He enlisted the support of a lot of great people, such as former President Ford; former President Carter; Walter Cronkite, the legendary CBS news commentator; and a former Senator from Illinois, Paul Simon.

This public interest group said let's take a look at television with regard to public information and whether it is doing its job. I was in one of their meetings in Chicago. They brought in the managers of TV stations and said: We noticed you are not covering campaigns, unless the candidates pay for it, on your stations. What Mr. Taylor did was to invite the radio and TV stations to take a 5-minute segment during the last week or two of the campaign and make it available for some public debate and public discourse about the issues.

Sadly, after we take a look at the participation in it, very few stations got involved in Mr. Taylor's request.

Let me tell you some of the statistics they developed. The political coverage of these stations shows the result of an analysis of political ad costs in all top 75 media markets.

The alliance advocates scrapping the lowest unworkable lowest unit charge and requiring the industry to open the airwaves. When they were asked to do it voluntarily, the stations did not comply.

These stations steer candidates toward premium rates. They pay the highest amount. They are shut out of air time.

America is different in this regard. Many countries make this time available to their candidates so they can have literally free access to television and radio, but in America you have to pay for it. We do not provide free air time. The cost, of course, is going through the roof.

Let me give an illustration of how bad it is using one market in which I have to buy advertising, and the market is in St. Louis. St. Louis is one of

the toughest markets in which to buy advertising. There are some radio stations there which will only sell you four or five ads a week. They limit you. You cannot buy any more.

Listen to what we found when we went to a major network affiliate in St. Louis and compared some of the charges they made in the last election cycle with what they charged just a few weeks later.

The cost of nonpreemptible time—in other words, you get a set time which is guaranteed—was four times higher than preemptible time. Take the lowest unit charge which candidates are supposed to get, and then if you want to make sure you get the time you asked for, at this station you are going to pay up to four times as much for that nonpreemptible time.

On the early morning weekday news shows, the rate that this station charged after the political campaign was over went down 55 percent from the political campaign time. During noon weekday news, the rate went down 66 percent in the weeks after the election campaign.

The story goes on. Weekday evening news took 3.3 times the amount to buy a nonpreemptible ad, and then as soon as the campaign was over, they dropped the overall rate 38 percent. On week night news at 10 o'clock in St. Louis, they dropped it 45 percent. On the Sunday a.m. news talk shows, as soon as the campaign was over, advertising costs went down 66 percent; the Sunday p.m. local news, 25 percent.

The television stations and the network affiliates are gaming the system. They understand that candidates are desperate for time. They understand that if they tell them it is preemptible, they will pay more, and then as soon as the campaigns are over, we see these dramatic decreases in the cost of this television time.

That is why it has become a killing field. They run up the rate cost for the candidates, and they refuse to cover the campaigns. They have really forgotten their civic responsibility that the airwaves belong to the American people. As a consequence of that, we are seeing a phenomenon in American politics which we cannot ignore.

A lot of people are going to argue later about how much money we should be able to raise. But keep in mind that if we are raising money to pay for electronic media—television—the cost of that media, according to a media buyer I contacted, goes up 15 to 20 percent every 2 years. So your campaign needs to raise 15 to 20 percent more funds to do exactly the same thing you did on television 2 years ago. If you are running for the Senate, in a 6-year period of time you can see a 60-percent increase in your television cost.

Let me give an example in St. Louis again. A moderate television buy in St. Louis runs about $186 a point. A point is the way they measure the audience. A 1,000-point buy for a week of spots—that is about 30 or 40 30-second ads a day—will cost you $186,000.

Under the current rules of raising money, I can ask a contributor to give me up to $1,000. So in order to run advertising in one area that serves the State of Illinois, I have to get 186 people to give me $1,000. Obviously, when one considers the entire State of Illinois and the campaign everyone is facing, one can see how the cost of these campaigns is going through the roof.

A $200,000 media buy buys a few 30-second slivers of time to get ideas and views out on the public airwaves. It takes just a moment to purchase it, and if a person gets up to get a sandwich in the kitchen, they miss that 30-second ad. It requires asking 4,000 people to make a $50 campaign contribution.

Former Senator Bill Bradley said a few years ago:

> Today's political campaigns function as collection agencies for broadcasters. You simply transfer money from contributors to television stations.

It is interesting to me that as we spend more and more money on television in these campaigns, as we do our best to get our message out, our market—the voters of America—has responded by refusing to vote.

If you ran a company and said, ''We are not selling enough of our product, let's increase the marketing budget''; and after a quarter or two, you brought in the marketing department and said, ''How are you doing?'' and they said, ''We have doubled the marketing budget''; you went to the sales department and asked, ''How are you doing?'' and they said, ''Sales are down''—that is what is happening in political campaigns. The marketing budget is increasing, but we are not making the sales to the American people. They are not buying what we are selling.

Why? Because, frankly, the whole process has been tainted. It has been tainted by the expense, by the involvement of special interest groups, and by the fact that so many candidates, myself included, spend so many waking hours trying to raise money to launch an effective campaign such as in a State as large as the State of Illinois.

This amendment is an important step forward because here is what it does: This amendment says that we are going to eliminate class distinctions for air time for candidates under the current statute. We are going to make time purchases nonpreemptible, we are going to allow political parties the benefit of the lowest unit charge, and we are going to require random audits in designated market areas to check compliance.

We cannot say to the TV station how much it charges, but we can say they cannot run their ad rates up right before an election, as so many stations have done, and then drop them precipitously as soon as the election is over.

All of this money going to television stations from political campaigns is, frankly, good for their business, but it is not good for America. Let us remember our responsibility: to make sure the airwaves are used in a manner that serves all the people in this country, not just serving the needs to make a profit. Sadly, that is what has been done too many times in the past.

I hope we will see an increase in voter participation, but I hope we will also see an increase in interest in public issues by the networks and by the local stations. It is not enough for them to say that a few times, in what might not even be prime time before an election campaign, they are going to make their station available so there can be a debate among the candidates. It is not enough that they will give us the Sunday morning opportunities to talk on the shows. As good as that is, that just does not make it in terms of selling products—they know that—and in terms of convincing voters as to what we have at stake in these elections. I think it is time for these networks and television stations to be part of campaign finance reform. The original version of the McCain-Feingold bill included this reform, included efforts to address the television and radio costs which candidates face that was taken out of the bill for reasons I don't know, but it should be brought forth.

If we are going to have real campaign finance reform, then we definitely have to make sure we are getting candidates an opportunity to purchase time at affordable rates. Otherwise, we are going to find the cost of campaigning continuing to skyrocket and the sources of money for candidates drying up as we cut off soft money, as we cut off other sources. I think this amendment is critically important.

When they asked these stations how much time they would give of their own time during the course of the campaign in a survey, it is interesting what they found. A national study released by the University of Southern California's Norman Lear Center, on February 5, 2001, of 74 local stations, found that the typical local television station spent less than 1 minute of air time a night on candidate discourse in the final month of the 2000 campaign—less than a minute.

The study found all but one local station failed to meet a voluntary public industry standard that they air 5 minutes a night of candidate-centered discourse in the 30 nights before the election. Stations in the survey that indicated they would try to meet the standard, which was just 7 percent of the Nation's 1,300 local stations, averaged 2 minutes and 17 seconds a night.

They are paying no attention whatever to elections and campaigns unless the candidates show up with money in hand and are prepared to pay the outrageous charges that have been leveled against them in terms of these candidates.

National broadcast networks didn't do much better. They averaged 64 seconds a night per network of candidate discourse in the final month of the 2000 campaign.

It is no surprise the broadcasting industry, which has profited so much from political campaign spending, also vigorously resists any campaign finance reform which touches them. The media industry, since 1996, has spent over $111 million lobbying Congress, partly to block campaign finance reform bills that included any kind of discounted or free candidate air time. The number of registered media-related lobbyists has increased from 234 in 1996 to 284 in 1999. The amount spent rose in 1999 to $31.4 million, up 26.4 percent from the 1996 amount. This is big business. This is big profit. They have a lot at stake.

I hope at the end of this debate we will enact this amendment, an amendment I have cosponsored with Senator TORRICELLI, Senator CORZINE, and Senator DORGAN. If we do not address the real costs of campaigns, the demand side of the ledger, we are not going to serve the need of real campaign finance reform.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I ask unanimous consent that a vote on the pending amendment occur at the expiration of the period of time beginning with 5 minutes of the remarks by the Senator from California, 5 minutes of remarks by the Senator from Nevada, and 7 minutes under the control of the Senator from Connecticut.

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

The Senator from California is recognized for 5 minutes.

Mrs. BOXER. Mr. President, I thank my colleague from Kentucky for yielding.

I strongly support the amendment being offered today by Senators TORRICELLI, CORZINE, DURBIN, and DORGAN.

We learn best when involved in the middle of a situation. Anyone who runs for office from my State of California knows it is all about television. In its wisdom, our founders said if you come from a State that has 500,000 people, you get 2 Senators; you come from a State that has 34 million people, like my State, you get 2 Senators. It is very difficult in a large State to personally meet but a very small percentage of the people. So we must rely on television. That is the only way.

What has happened, and the chart shows this, in California, the broadcasters have taken tremendous advantage of this situation. To say the costs are unreasonable is an understatement. They are confiscatory. They are taking 80 percent or 90 percent of our budget after we pay our overhead. TV was so expensive in my last race I couldn't even afford to have much radio. I didn't even have any left over for radio. I raised $20 million and huge sums went to television.

The facts are, when we approached the TV stations, we thought we were entitled to get the lowest rate because that is, in fact, the law. However, it is a little bit similar to airline seats. If you see airline seats advertised, they say we have a special fare from Los Angeles to New York; it is really cheap, $100. Call up and they say: Sorry, those seats are sold. Therefore, you have to spend $1,000. It is a little bit similar.

When we went to the broadcasters and asked to buy time and asked for the lowest rate, which is required by law, they would say: Absolutely, we will give you that rate. But be warned, if someone else comes along and wants to pay more, you cannot retain that spot.

Again, everyone knows if you are running for the Senate you need to reach people when they are up and about. Otherwise, it doesn't pay. If you say, fine, bump me to another spot, you could be having your commercial aired at 3 o'clock or 4 o'clock in the morning. Not that many people will see it. So they have you in a very difficult situation.

Los Angeles is the second most expensive media market. Senator TORRICELLI's chart shows basically the average 30-second spot is almost $35,000 in a good time slot. By the way, I once wanted to buy a couple of slots, and I was told it was $50,000, but let's just say about $35,000. Under the Torricelli amendment, it comes down 75 percent. That is a very big difference.

The fact is, this is a very good amendment. I am very much for the McCain-Feingold bill. I will be opposed to amendments that I think are not good amendments, are not meritorious amendments, and cannot be defended and might make this veto bait. It would be hard to imagine that George W. Bush could look at what the broadcasters are doing to candidates, some of whom are struggling very hard to get the money they need, and will take the side of the broadcasters who are laughing all the way to the bank, nodding their head, saying: We really got them this time.

I have good relationships with the communications industry in my State, good relations with the TV people, the radio people, but I have asked over and over again, how can they sleep at night knowing what the people who own airwaves in this country get so people can find out what candidates stand for. It is almost impossible unless you are independently wealthy or just raise huge sums of money.

So to close this statement, I say again how strongly I support the underlying bill and how much I respect Senators MCCAIN and FEINGOLD. I will be voting against most amendments.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mrs. BOXER. I ask for 20 more seconds.

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

Mrs. BOXER. In closing, which I would have done if I had the opportunity, I believe there are certain amendments that strengthen this underlying bill. This is one of those amendments. It strengthens the underlying bill. It makes it even better. It gets at a situation that is out of control. I will be supporting this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 5 minutes.

Mr. ENSIGN. Mr. President, what we are talking about on this amendment is something called the lowest unit rate. The spirit of the law that was passed was that candidates could have the lowest unit rate charged to them by broadcasters so campaigns would be less expensive and candidates could get their message out to the masses.

The Senator from California just talked about how expensive it is in her State to advertise. I cannot even imagine, coming from a State like Nevada with only 2 million people, what it is like in a State like California with 34 million people. But I can tell you, having been through 4 campaigns in the last 8 years, that advertising costs on television have skyrocketed. The State of Nevada, during that same 8-year period of time, grew by approximately 50 percent. It was the fastest growing State in the country. So you would expect television time to go up by a significant amount—maybe by 70 percent or 80 percent, as it has in other parts of the country. But in Nevada, even though we have only grown by 50 percent, our advertising rates have gone up by as much as 300 percent to 400 percent. That is at least 6 times faster than the rate the population has grown.

My first congressional campaign was the most expensive congressional campaign ever in the State of Nevada. I spent around $700,000, and my opponent spent around $800,000. Now a typical congressional race in the State of Nevada will cost somewhere between $1.5 to $2 million. That is a significant change of cost in just 8 years. And almost every dime of that increase has come from the increase in the cost of television advertising.

The broadcasters were just visiting me back here in Washington D.C. and we had a discussion about the lowest unit rate and what that means for a congressional campaign. During my first campaign we bought time for the most part on the lowest unit rate. But in the last couple of campaigns, candidates have not been able to use the lowest unit rate because when you place an ad, that ad is probably going to be bumped by a higher paying customer. There is so much competition for certain time slots on television that those commercials always get bumped, and what you end up with is terrible placement and you do not get your message out to the people you are trying to reach.

My advisers in the last two campaigns have insisted we not buy the lowest unit rate because you cannot direct your message to the people to

whom you want to direct it. So we are always forced to buy the most expensive slot in order for our message to be effective. In addition, at the end of a campaign cycle, the broadcasters' rates skyrocket.

The broadcasters used to dread campaigns because that was the time of year they made the least amount of money because of this lowest unit rate. Now it is one of their favorite times of the year because it is actually one of their highest profit margin times of year. This certainly was not the intent of the legislation that brought about the lowest unit rate.

So I applaud the Senators who are bringing this amendment to the floor. I add my support to this amendment.

Before I yield the floor I want to address one final issue. Broadcasters have the airwaves for free, and the justification for this is that they provide a very important public service to local communities by providing news and local politics.

I talked to the Nevada broadcasters about this last week. While I would say in this election their coverage improved—and more of the campaigns were covered during this time it was still pathetic.

When you consider how much time is spent on a sensational television story, as compared to the time spent on a message or a story that actually affects the lives of the vast majority of people in our States, I think you will agree that many of these local broadcasts across the country spend a small percentage of their time actually delivering important public service to the communities.

So I think it is the responsibility of the broadcasters to not only accept what we are trying to do with the lowest unit rate, and the spirit of the law of the lowest unit rate, but also we need to call on the broadcasters to cover more of our politics, so that we get more people involved in the political system.

The PRESIDING OFFICER. The 5 minutes of the Senator has expired.

Mr. ENSIGN. I ask unanimous consent for another 20 seconds.

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

Mr. ENSIGN. To close on this, even though I believe the broadcasters have made progress in my State, we need to keep the pressure on them because we are seeing such a low voter turnout. If we cannot get our message as candidates to the general public, we cannot get them inspired to come out and participate in elections.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I am expecting a couple of Members who asked to come over and be heard.

Just to conclude, it is an encouraging sign we have heard nothing but strong support for the amendment offered by our colleague from New Jersey. I think the argument is quite clear. The facts have been laid out about as clearly as possible. There is clearly a loophole, to put it mildly—maybe something more serious occurs—when the lowest unit rate is not being recognized in major media market after major market all across this country, thus raising the cost of campaigns.

Part of the idea was, of course, to have the lowest unit rate so people's voices could be heard during election season to hopefully enlighten and educate the public about the choices they would make. I do not want to say that is necessarily what occurs in every 30-second or 1-minute ad that the public is subjected to, but nevertheless the idea is the unit cost would be the lowest rate so the cost of campaigns would not get out of hand, which obviously what has occurred in the last few years.

The charts Senator CORZINE used, and Senator TORRICELLI, showed the exponential growth in the cost of campaigns. While there are a lot of reasons that has occurred, there is no reason any more clear than the rising cost of television advertising.

I note the arrival of my colleague and friend from New York who would like to be heard on this issue as well. I commend her for her support of this as well and thank the authors of this amendment. This is really an important piece of this bill.

If we are going to try to keep down costs, keep down the rising costs of campaigns, we have to address this issue. The Senator from New Jersey has done that with this amendment.

I am happy to yield 3 or 4 minutes to my colleague from New York.

Mrs. CLINTON. Mr. President, I thank my good friend from Connecticut. I also thank Senators TORRICELLI and CORZINE for bringing this important issue to the forefront of this debate because clearly we are not going to be able to have the kind of campaign finance reform that many of us are hoping will come out of this process if we do not address the most expensive aspect of modern-day campaigns.

As we all know, that is the advertising that we have to do in order to communicate with voters about where we stand on issues. It is a particular challenge in large States. But it is a national one that all of my colleagues face.

The Torricelli amendment, which would amend the Communications Act of 1934, would require that the lowest unit rate be provided to committees of political parties or candidates purchasing time. I think that is in the best interest of our democracy. I certainly believe it is the kind of reform that goes to the real heart of what the money chase is all about.

I think a lot of us would like to be able to turn the clock back to the days that some of our colleagues can remember, but for most of us, we just read about it, where you could literally go out into a town square or out in the countryside, set up a little platform, visit with constituents, make a speech, keep on going, and reach most of the people who were going to vote for you or make a decision on an important issue. Those days are long gone. The television broadcast networks know they are the means by which we must communicate.

I think this amendment is not only fair but long overdue. I commend the Senator from New Jersey for bringing it to the floor. I hope the television industry recognizes that there is an effort to not just have a level playing field but fulfill what many of us thought was the bargain; that when we use the public airwaves for communications—and those communications are basically controlled by the companies that have been given, in my opinion, the privilege of having those airwaves—that there has to be some way they give back to keep the first amendment alive, to keep democracy going. I am just so pleased that we are going to have a chance to vote on it.

I thank my good friend from Connecticut for yielding some time so that I could weigh in on the importance of this issue.

Mr. DODD. Mr. President, there was one other Member who wanted to be heard. He is not here. I am going to yield back the time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MCCONNELL. Mr. President, if the Senator will withhold for just a moment, we wondered if Senator BURNS wanted to speak. He may be walking through the door momentarily.

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. LEVIN. 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. LEVIN. If the Senator from Connecticut has any time

The PRESIDING OFFICER. All time has expired.

Mr. LEVIN. Are we waiting for another speaker?

Mr. MCCONNELL. The Senate has been waiting for a minute. Why not ask unanimous consent to speak for a minute or two.

Mr. LEVIN. I appreciate the usual courtesy of my good friend from Kentucky.

Mr. President, I ask unanimous consent that I have 2 minutes.

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

Mr. LEVIN. Mr. President, I commend the Senator from New Jersey, and the managers of the bill who I understand are supporting the amendment. I think it takes an important step towards reducing the money chase and leveling the playing field.

First, the money chase will be reduced somewhat because so much of the money which has been raised goes into television. The more reasonable these ads are and the closer they come to the lowest rate, which is supposed to be provided for anyway under existing law, the less demand there will be for money in order to get a minimum message on television.

I think it does some real good in terms of reducing the case for huge amounts of money for campaigns.

Second, it attempts to level the playing field a bit because the less funded candidates will have a greater opportunity, as the television rates are less, to have at least a minimum message on television that they are able to fund.

I think leveling the playing field is also something we are trying to do in the legislation before us.

The existing law and spirit of the law provide that the lowest unit charge of the station is supposed to be provided in the 60 days preceding the date of the general election and 45 days preceding the primary.

This amendment just carries out what is clearly the spirit, purpose, and intent of the existing law, and again I commend the Senator from New Jersey for bringing this forward and for those who have indicated their support for it, including, I understand, both Senators MCCAIN and FEINGOLD.

Mr. MCCONNELL. Mr. President, the Senator from Oklahoma wishes to speak for a couple of minutes. We expect him to walk in the door momentarily. At the end of his 2 minutes, it is our intention at that point to go to a vote.

Mrs. CLINTON. Mr. President, may I ask unanimous consent to supplement my earlier remarks?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. CLINTON. Thank you very much.

Mr. President, I didn't realize it until after I spoke, but my good friend, Senator TORRICELLI from New Jersey, gave me one of the articles he read into the RECORD that I have yet a new title; that is, ''Modern Day Santa Claus.''

I was given an article that was written by Paul Taylor about broadcasters and their desire to have political advertising.

I was delighted to learn that I am a beautiful thing like Santa Claus because the campaign I ran brought, I guess, great beauty and good cheer to the broadcasters of my State.

I would like to add to my previous comments in support of this amendment that I think this is a good start to ensure that the spirit of the current law is enacted and implemented. But I think we should go further. And later in the debate I hope we will have a chance to talk about even going further, to perhaps legislate the 5 minutes that has been suggested by a number of people as being free air time, and even to have a debate on an issue I support, which is free broadcast time across the board and some way to fulfill the political obligations of communications that I think our society so desperately needs without having the charges attached to it that we currently are experiencing.

I know in 1997 when the FCC doubled the amount of the spectrum it licensed to television broadcasters, I joined with many others in recommending that 5-minute, voluntary, candidate-centered discourse during the 30 days leading up to the campaign. We know that is not happening.

I think we need to do more to provide free air time for political candidates. I hope we will not only pass this amendment but go on to consider other ways we can make air time more readily available. If it were in my power, as Santa Claus, to give that gift to the American people, I would certainly do it. But I am going to try to make that case in addition to supporting this very worthy amendment.

I thank the Senator from Kentucky for yielding me time.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I ask unanimous consent that the distinguished assistant majority leader have 5 minutes prior to the vote.

Mr. TORRICELLI. If the Senator would yield, could I have 1 minute, then, before the vote, just to close on my amendment?

Mr. MCCONNELL. Sure. Then the vote will occur 6 minutes from now, and will be followed by an amendment by the Senator from Minnesota, Mr. WELLSTONE.

I yield the floor.

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

The Senator from Oklahoma.

Mr. NICKLES. Thank you very much. I thank my colleagues for their cooperation. I understand my colleagues are ready to vote and that they have held the vote off so I could make a few comments. I appreciate that.

I am going to speak against this amendment. I heard everybody say they are for it, so I am sure this amendment will be adopted. But my guess is, this amendment should be classified as ''the million-dollar gift to Senators'' and maybe for Senate candidates.

This is a big gift. This is a gift. In reading the language it says:

> . . . to such office shall not exceed the lowest charge of the station (at any time during the 365-day period preceding the date of the use) for the same amount of time for the same period.

What that means is, we get to buy ads at the lowest rate that the station charged anybody anytime during the past year.

These are political ads. Some stations may have lower rates because they want to do something to help a charity. Maybe they want to be kind to a university and raise money, and there is a fundraising drive, such as the University of Kentucky. So they want to have a fundraising drive, and the station says, this is a low time of the year, so, yes, we will give you good rates. And maybe this is in April or maybe it is in January when time is pretty cheap because the demand is not very large.

What we are saying is, we want to have that rate for politicians in October and early November, when maybe the demand is very great. The rates might be four times as much, three times as much. You have the new shows on TV.

I look at this, and maybe it sounds kind of nice. Somebody says this is really enforcing what the existing language is. I say hogwash. This amendment is worth millions, and everybody should know it. This amendment is worth millions to candidates.

I question the wisdom of doing it, saying we should have lower rates than anybody else in the country. And, oh, incidentally, Mr. Broadcaster, we politicians want to check your rates for that entire year, and we get the lowest of anybody. Of anybody, anytime, we get the lowest. We are special. I question the wisdom of it. I am going to support some amendments to help this bill. I do not doubt that this amendment is going to be adopted, but I certainly question the wisdom of it.

Some people said: Let's just have free time. This is a gift. This may not be free time, but this is a gift that may be greater than free time.

Some people say: Maybe we should have free time for candidates of so many minutes or so many hours, and so on. This is an amendment worth a lot more than that. So our colleagues should know that. Because rates vary significantly throughout the year, and we are saying you get the lowest rates.

I guess if a person is going to buy a rate in August, that is one thing; so we check the last 365 days, and then if you are going to buy an ad in October, we have to check the last 365 days to see if there is a lower rate.

I think this amendment is very well intended. But, in my opinion, this amendment should not be adopted.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, what is the time circumstance?

The PRESIDING OFFICER. There is 1 minute remaining for the Senator from Oklahoma.

Mr. NICKLES. I yield the Senator from Alaska whatever time I have remaining.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I rise to agree with the Senator from Oklahoma. This amendment in my State is going to be catastrophic. We have many small stations that survive on mass marketing throughout the year at low rates. This will mean they will have to provide those of us who are candidates with the same rates. It makes no sense to me at all. I think it is an invasion of the

rights of the people who operate these small independent stations.

I agree with what the Senator from Oklahoma said. It is a benefit to candidates. If people are meaning to kill this bill, this is one way to do it.

Mr. LEAHY. Mr. President, I am pleased to be able to support the amendment offered by Senators TORRICELLI, CORZINE, and DURBIN. I believe that allowing candidates the opportunity to let their message be known to the public, through television ads, without having to raise an obscene amount of money to finance those advertisements is a needed step toward truly reforming our campaign finance system. During the 2000 election broadcasters' advertising prices soared precisely when airtime was most valuable to candidates. Due to this dramatic increase in prices the broadcasters earned record profits from political advertising.

David Broder of the Washington Post articulated the need for TV advertising price relief. He writes, ''Common sense tells you that if the TV bill remains . . . exorbitant, politicians will continue the 'money chase' under any rules that are in place.'' The rules to which Mr. Border refers are the rules drafted in the campaign finance reform bill.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 minute.

Mr. TORRICELLI. Mr. President, the Senate is now moving beyond a simple soft money ban to genuine campaign finance reform, ensuring that as we reduce the amount of money in the political system, we are not reducing the amount of political debate in the Nation.

There is nothing new or startling about this amendment. Under current law, the broadcast industry must provide the lowest unit rate for political broadcasting. The problem is, they have been evading their responsibility. Stations now will have to participate in a shared sacrifice. Candidates will not raise certain forms of money that are undermining political confidence, and the broadcast industry must meet its public responsibility to provide low-cost broadcasting.

I believe this is a critical component to comprehensive campaign finance reform. It allows many of us to be part of McCain-Feingold.

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

Mr. TORRICELLI. I believe it is a proper addition.

I thank the Chair.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second.

There appears to be a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Several Senators addressed the Chair.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BURNS. 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. BURNS. Mr. President, I ask unanimous consent to be recognized for just 1 minute.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, and I will not object, people keep coming and getting more time. That is fine. But I think we need to reserve another matching minute because now the opponents are coming to the floor laying out their arguments. People are coming to the floor. So if Senator BURNS is speaking against this amendment, I ask unanimous consent that I have 30 seconds to respond to his comments.

The PRESIDING OFFICER. Is there an objection?

Mr. MCCONNELL. Mr. President, I object. I am on the same side as the Senator from California on this issue. It seems to me the Senator from Montana is not unreasonable to ask for a minute to explain his position, after which the regular order would occur.

The PRESIDING OFFICER. Is there an objection?

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NICKLES. 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. NICKLES. Mr. President, I ask unanimous consent for a minute for Senator BURNS and a minute for Senator BOXER.

The PRESIDING OFFICER. Is there an objection?

Without objection, it is so ordered.

Mr. BURNS. Mr. President, I thank my friend, the assistant leader.

I have been tied up in a committee all morning trying to get over here. We have had some pressing energy business. But I wish to make one point.

How many other industries are we asking to lower their rates on the services they perform for the sake of political activity? Are we asking the automobile companies? The gasoline companies? The newspapers? The direct mailers? The writers? Are we asking them to lower their rates on their inventory for the sake of political activity? I think not.

And the broadcasters, once their time is gone, it is gone forever; and they cannot recover it. I don't think we have a right to ask them to do that, especially incumbents, as we are here, who have access to the news every night.

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

The Senator from California is recognized for 1 minute.

Mrs. BOXER. Mr. President, we are not asking anyone to lower their rates. That is a misstatement of the amendment. The Torricelli amendment simply says current law should be followed. Current law says the lowest rate should apply. May I remind my friends, the airwaves are owned by the American people. People get a license. The airwaves should be open to the American people.

In California, they give us 10 percent at the lowest rate, and 90 percent of it is at the highest rate. You cannot get your message out.

This amendment is a clarification of existing law. It strengthens McCain-Feingold. If you vote against this, it is just a signal to the broadcasters to keep on ripping us off and all the money will go to TV.

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

The question is on agreeing to the Torricelli amendment No. 122. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 70, nays 30, as follows:

[Rollcall Vote No. 41 Leg.]

YEAS—70

Akaka	Durbin	McConnell
Bayh	Edwards	Mikulski
Bennett	Ensign	Miller
Biden	Feingold	Murkowski
Bingaman	Feinstein	Murray
Bond	Frist	Nelson (FL)
Boxer	Graham	Reed
Breaux	Hagel	Reid
Bunning	Harkin	Roberts
Byrd	Hatch	Rockefeller
Cantwell	Hollings	Santorum
Carnahan	Inouye	Sarbanes
Carper	Jeffords	Schumer
Chafee	Johnson	Shelby
Cleland	Kennedy	Smith (OR)
Clinton	Kerry	Snowe
Collins	Kohl	Stabenow
Conrad	Kyl	Thompson
Corzine	Landrieu	Torricelli
Crapo	Leahy	Voinovich
Daschle	Levin	Wellstone
Dayton	Lieberman	Wyden
Dodd	Lincoln	
Dorgan	McCain	

NAYS—30

Allard	Enzi	Lugar
Allen	Fitzgerald	Nelson (NE)
Baucus	Gramm	Nickles
Brownback	Grassley	Sessions
Burns	Gregg	Smith (NH)
Campbell	Helms	Specter
Cochran	Hutchinson	Stevens
Craig	Hutchison	Thomas
DeWine	Inhofe	Thurmond
Domenici	Lott	Warner

The amendment (No. 122) was agreed to.

Mr. DODD. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 123

Mr. WELLSTONE. I call up amendment numbered 123.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself and Ms. CANTWELL, proposes an amendment numbered 123.

Mr. WELLSTONE. Mr. President, I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To allow a State to enact voluntary public financing legislation regarding the election of Federal candidates in such State)

On page 37, between lines 14 and 15, insert the following:

SEC. 305. STATE PROVIDED VOLUNTARY PUBLIC FINANCING.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

Mr. WELLSTONE. Mr. President, my understanding is Senator CLINTON will be coming to the floor in a moment.

Mr. DODD. 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. DODD. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. DODD. Mr. President, I ask unanimous consent the Senator from New York be recognized for 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. I ask my colleague if we may extend that to 10 minutes.

Mr. DODD. I ask for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York is recognized for 10 minutes.

Mrs. CLINTON. I thank the Chair.

(The remarks of Mrs. CLINTON, Mr. DODD, and Mr. WELLSTONE pertaining to the introduction of S. 584 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WELLSTONE. Mr. President, before we go to the Senator from Idaho, I ask unanimous consent that in addition to Senator CANTWELL as original cosponsor of my amendment, also Senator CORZINE and Senator BIDEN be included as original cosponsors.

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

The Senator from Idaho.

(The remarks of Mr. CRAPO are located in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will reserve for myself just a little bit of time now because there will be other Senators who will want to speak on this subject. This is an amendment to the McCain-Feingold bill, a very important piece of legislation in and of itself, which I think is a very important step forward for all of us. I hope this amendment will have bipartisan support. I think it just adds to the McCain-Feingold bill.

This amendment simply allows States, any of our States, to set up voluntary systems of full or partial public financing for Federal congressional candidates that involve voluntary spending limits on both personal and outside contributions, as long as these systems are not in conflict with the Federal Election Campaign Act. So this simply allows States, if they want, to set up a voluntary system of partial public financing.

This is entirely a voluntary system, and we leave it up to our State.

Historically, the States have been a ''laboratory of reform''—the term was coined by Supreme Court Justice William Brandeis—where innovative policies have been created.

This States rights amendment allows these laboratories to do their work in a safe way—I want Senators to listen to this—because the electoral regulation that Congress has written into Federal law remains the floor. That is the law.

In other words, while States will be given wide latitude to set up voluntary systems of public financing, they will not be able to enact laws that will allow candidates, whether covered by public financing or not, to engage in conduct that will otherwise be in violation of Federal election laws.

While the Federal law is the floor, I think it is a low floor, indeed, although McCain-Feingold makes it better. Many believe our system is awash in special interest money. I agree with them. It is not a matter of individual corruption. I almost wish it was. It goes way beyond I don't wish it was, but I think it is a more serious problem.

I don't think we are talking about the wrongdoing of individual officeholders. But we are talking about a huge imbalance of power where some people, by virtue of their economic resources, have way too much wealth access and too many people are left out.

Please remember that 80 percent of the money spent in the year 2000 was hard money. Please remember as these campaigns—we just had an amendment that was an effort to deal with part of the problem—become more capital intensive, more television expensive, as communication technology becomes the main weapon in every electoral conflict, the big money matters even more.

This amendment says: Look, if our States want to—we leave it up to them—set up a voluntary system of partial or public financing to apply to our races, they should be able to do so.

This debate in the Senate about big money and politics and the ways in which too often our elections have become auctions and the ways in which all too often Senators have to be concerned about cash constituencies as well as real constituencies couldn't have come at a more perfect time.

Let me give a few examples. Several weeks ago we had an effort that took 10 hours to overturn 10 years of work. The National Academy of Sciences said repetitive stress injury is the most serious injury in the workplace. It endorsed taking action, did the research, did the study, endorsed a standard that was promulgated by OSHA, but big business said jump. So we jumped, and we turned our back on reasonable standards. We turned our back on science, and we turned our back on a lot of workers and their pain. We made them expendable.

Then we had the bankruptcy bill. I gave enough speeches about the bankruptcy bill to deafen all the gods. I will not repeat any of it, just to say ultimately what we got with this bill was a wish list for the credit card industry which is not held accountable at all for their reckless and sometimes predatory lending practices but very harsh for a whole lot of people who find themselves having to declare bankruptcy—not because they are trying to game any system but because of a major medical bill, because they have lost their job, or because there has been a divorce in the family.

Then we have the news today that the arsenic standard that EPA had promulgated to make sure we had safe drinking water has been overturned by the Administrator of EPA, the Environmental Protection Agency.

Then we have a tax cut—I am not going to spend a lot of time on this. It will be in the budget debate in about 2 weeks. If I am proven wrong, I will be glad to be proven wrong. I believe my colleagues will find that ultimately a rigorous sort of measurement, if you will, of what the surplus really is—and then alongside of that what the tax cut really amounts to—will mean two or three things.

It will mean there won't be a dime for any of the investments to which we say we are committed. There are going to be some harsh discretionary domestic spending cuts. What that means is anything from energy assistance, to housing, to programs that try crimes against women who have been battered—you name it. In addition, you have tax cuts that represent a Robin-

Hood-in-reverse philosophy so that over 40 percent of the benefits go to the top 1 percent.

What I said before I will say again. The President talks about leaving no child behind. One-third of all the children in America live in families who will not receive one dime from this tax cut, and 50 percent of African Americans live in families who will not receive one dime, and 57 percent of Hispanic children live in families who will not receive one dime, but over 40 percent goes to the top 1 percent of the population.

So forget any commitment to making sure that every child in America has a good education. The vast majority of people believe in that goal. Forget any commitment to making sure that elderly people—I argue there are a lot of families as well who are hurt by this—can afford the prescription drugs they need for their health. And forget any commitment to expanding health care coverage for the 43 or 44 million people who have no coverage at all. For that matter, forget any commitment to beginning to get serious about home health care so that a lot of elderly people aren't institutionalized, aren't forced into nursing homes but can still live in home in as near normal circumstances as possible with dignity, or people with disabilities.

From where is the money going to come?

How about the veterans? I will tell you about the veterans budget. There is a $1 billion increase, but $900 million of it is medical inflation.

Then we have all of these commitments which we say we are going to make for the millennium program—elderly, home-based care, in addition to mental health services; in addition a bill I have with EVAN BAYH to finally deal with the distress about the fact that 30 percent of the adults in the homeless population are veterans—many of them Vietnam veterans—and we need to reach out and help them. I tell you, I don't think any of this is by accident because for the sake of the top 1 percent of the population making sure they get the tax cuts—by the way, these are the same people who are the heavy hitters. They are the big givers who give the contributions, whether it is soft money or hard money.

We are at the same time not going to live up to our commitment of leaving no child behind. We are not, if this administration has its way, going to do much about prescription drug costs, or expanding health care coverage, or making sure there is a good education for every child. Obviously, we have an all-out assault on basic workplace protections and environmental protections.

I think a lot of people in Minnesota and a lot of people in the country have reached the conclusion that the Congressional agenda is not their agenda; that the Congressional agenda is the agenda of the powerful; that the Congressional agenda is the agenda of the heavy hitters; and that the Congressional agenda is the agenda of the investors in both political parties.

For so many people, when it comes to their concerns for themselves, their families, and their communities, their concerns are of little concern in the corridors of power in this Congress.

Who could fault them for this belief? Many people believe there is a connection between big special interest money and the outcomes in American politics.

People believe what is on the table and what is off the table is based upon who has the money and power. People believe who gets to run and who does not get to run and who wins and who loses is quite often determined by the mix of money in politics. People believe that some people march on Washington every day, and they have the lobbyists, and they have the lobbying coalitions, but that when it comes to their concerns, they are not well represented. People believe that if you pay, you play, and if you don't pay, you don't play.

So people have lost faith in this system. I do not know what I think is worse: That so many citizens have this disillusionment and disengagement toward Government and public affairs. I hate that. I state that as the son of a Jewish immigrant born in the Ukraine who fled persecution in Russia. I love this country. I hate it when people feel that way about public affairs. Sometimes I think it is even worse when I talk to people who are so excited about public affairs, and they tell me they will never run for office. They say they do not want to spend all their time raising the money. They cannot bear the thought of it.

Frankly, I think it gets to the point where we have this horrible self-selection process where a lot of the very best people never will run for office, for a Senate seat or a House seat. I think that is a tragedy for the country.

I know the sponsors of the new McCain-Feingold bill hope this bill will have the votes to pass. I hope it does. But this bill is scaled down. It is a step toward comprehensive reform, but I do think this is an ideal time to let States take the lead. While we should not allow States to undermine Federal election law, the law should not be an artificial ceiling that prevents States from setting up systems of public financing that allow them to address this money chase, to address voter apathy, to address corruption, actual and perceived.

Mr. President, by way of background to this amendment, my own State of Minnesota attempted to set up a public financing system for Federal candidates 9 years ago, when the State legislature passed a law offering partial public financing to candidates for Congress from Minnesota.

Unfortunately, the Federal Court of Appeals for the Eighth Circuit struck down Minnesota's law in 1993 in Weber v. Heaney. The court ruled that because the Federal Election Campaign Act, FECA, did not specifically allow States to create this kind of voluntary public financing program, then FECA prohibited it. I think what the court was saying was: If you want to do it, fine, but we want to see the authority.

The amendment I am offering would correct that by adding one simple sentence to FECA which specifically allows States to set up voluntary public financing programs for the election of their own Members of the Senate and House, as long as no such program violates any provision of the current FECA law. That is all this amendment does.

In other words, if a State—Minnesota, Montana, Connecticut; I will talk about States that have already done this —wants to create a public financing fund and give its congressional candidates the option—a voluntary option; it is not required—of financing their campaigns partially or wholly with public money rather than private contributions, that State will be able to do so—again, provided there is no violation of any of the current FECA provisions.

I want to stress to colleagues, because I do not want there to be any misinformation about this amendment, that these programs must be strictly voluntary, just as the public financing for Presidential elections is voluntary. Candidates who would rather finance their campaigns with private dollars, adhering to the existing campaign finance rules, would be free to do so. However, the courts have made it clear, in some cases, by upholding the very public financing systems for election of State officeholders, which are models for this legislation, that a State may offer public financing or other enticements to make contribution limits and spending limits attractive.

This amendment, giving States the option of creating their own voluntary alternatives to the current system, is perfectly constitutional.

Some States have already moved in this direction. Twelve States already offer partial public financing to candidates for State offices. In fact, one of the most advanced of these programs is in my colleague, Senator MCCONNELL's own State of Kentucky. In Kentucky, there is a system of partial public financing for gubernatorial candidates.

In my own State of Minnesota, there is a voluntary public financing system for statewide candidates as well as candidates for the legislature. Candidates agree—it is voluntary—to spending limits, and in return they receive public funds.

The State of Minnesota provides a tax credit for contributions to State candidates of up to $50.

In addition, four States have gone even further and have recently passed full or nearly full public financing systems for their elections—it is inspiring—in Maine, Vermont, Massachusetts, and in Senator MCCAIN's own

State of Arizona. They have passed legislation similar to the Clean Money, Clean Elections Act.

Senator KERRY and I have introduced this as national legislation. Eventually, I would like to get there. Basically, that is what they are saying in these States to the citizens. And the citizens said: Yes, let's do it.

I want to talk about these inspiring examples. They have said: Listen, if each citizen will contribute a small amount into a clean money, clean election fund—maybe $5—and then candidates draw from that fund—candidates who have passed a threshold to show that they are viable candidates—then these candidates do not have to be involved in the money chase. They do not have to be dependent on these private dollars. You, the people of Maine, you, the people of Vermont, you, the people of Arizona, you, the people of Massachusetts, you own the elections. You own your own State government. You own the political process.

In Maine it is just incredible. There was broad participation in the Clean Elections program during this last election, with 116 out of 352 general election candidates—both Republicans and Democrats—participating.

What these clean money, clean election States have done is dramatically reduced the influence of special interest money by providing a level playing field, by offering candidates a limited and equal amount of public funds.

I am saying to colleagues today, at the very minimum, we ought to allow our States to move forward with these voluntary systems if they want to do so. That is the only proposition you vote on. Will you or will you not at least be willing to allow your States to provide for a system of voluntary full or partial public financing for our races, understanding full well that everything else about Federal election law stays as is.

I want to offer some comments about Maine, giving some indication of what happened in Maine, because I think it inspires a lot of hope. These comments tell us something about what they have done and why it is so important to allow States to do so.

Here are some of the comments of people who ran.

Shlomit Auciello, a Democrat challenger:

> Without Clean Elections, I couldn't even think about running for office. I just couldn't afford it.

Chester Chapman, a Republican challenger:

> The main reason I did it was that this is what people want.

Glenn Cummings, a Democrat challenger:

> I spent a lot of kitchen table time explaining the system to people. Once they knew what it was they really liked it. They liked that it means no soft money and no PAC money will be used. I want to work for the people of Maine and I don't want to be beholden to anyone else.

Gabrielle Carbonear:

> It will definitely change some things. For one thing I will have about half the amount of money I raised last time but much more time to talk with people which is a good thing.

Just one more:

> We have an obligation to put into practice the system that was approved by voters in 1996. Maine is in the lead in this area. It will only work if it is used, and it is important for incumbents to embrace it. Also, the Clean Election Act is making it easier to recruit candidates to run for office.

That was said by Rick Bennet, Republican incumbent, assistant senate minority leader, and candidate for reelection.

I simply say to my colleagues, I am all for McCain-Feingold, as long as it does not get too weakened. I think the amendment we just adopted—the Torricelli amendment—was a step in the right direction. But, honest to goodness, 80 percent of the money is hard money. You still have this huge problem of the system being so wired for incumbents. It is so hard for challengers to raise the money and for there to be a level playing field. I can remember what happened when I ran in 1990; I can remember in 1996. I am now in a reelection.

At a very minimum, there ought to be a vote on public financing in the Senate, but this amendment doesn't say we vote on public financing directly. We don't vote on this at the Federal level, and we don't really vote on it saying that Montana or Minnesota has to do it. Given the experience of some of the States, such as Maine, Vermont, Massachusetts, Arizona, and other States that have moved forward, let us at least allow States, on a voluntary basis, to have a system of partial public financing that they could apply to Federal races.

If they want us to have the opportunity to volunteer to be involved in clean money and clean elections as opposed to all this big interested money that will continue to dominate the process, even with McCain-Feingold passing—there is still so much of that money; we are still so awash in that money—at the very minimum we ought to allow States to light a candle and lead the way.

I know there are other Senators who are going to be coming to the floor. I can speak a much longer time about this and will, but if my colleague from Connecticut is going to speak, I will yield the floor for now.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my friend from Minnesota. I commend him for this amendment.

This is a very creative amendment because it doesn't go to the heart of what many of us have felt for a long time, and that is that as we have done with Presidential elections—I don't know if my colleague from Minnesota spent time on this point—we have had public financing of Presidential races. Ronald Reagan, George Bush, this President Bush, and President Clinton have all used public moneys in Presidential elections going back to the late 1970s. I believe President Reagan was the first—maybe President Carter was the one—to use public moneys and public financing of a Presidential election.

All would agree that as a result of that, the costs of Presidential elections, while they are expensive, have been reduced by having a public financing scheme where, as a result of accepting public dollars, candidates agree to certain caps, certain limitations on how much money will be spent by a Presidential candidate.

This country is not without precedent in dealing with public financing. My colleague has talked about some of the States that have done things. We have done it at the national level and with some success. This amendment doesn't call for Federal public financing, as I understand it. It merely says to the States, if they would like to establish a public financing mechanism for candidates running for the House of Representatives or the Senate, the two Federal offices for which there are elections in each State, then the States would be allowed to construct such a mechanism that then-candidates who would agree to accept public moneys in those States would also accept certain limitations, principally financial ones, as one way of trying to get a better handle on this ever spiraling cost of campaigns.

I don't have the charts with me that some of our other colleagues have used which point to the exponential increase in the cost of running for Federal office. There is not a person in this Chamber who holds a seat who can't bear witness to that fact. We wouldn't be here if we hadn't gone through the excruciating gauntlet of having to raise the money and spend the dollars in order to be on television and run all the various elements of a successful campaign. We are all familiar, every one of us, with how vastly these campaigns have increased in cost.

I have often cited the statistic that when I first ran for Congress, some 24 years ago, Ella Grasso was running for Governor of the State of Connecticut, the first woman to be elected in her own right as a Governor in the United States. Ella Grasso spent about $500,000, an unprecedented amount of money, in the State of Connecticut to win a statewide race. I think she even bought New York television time, which always adds considerably to the cost of a campaign in Connecticut. And $500,000 was an outrageous sum of money 24 years ago.

My colleague from Connecticut, Senator LIEBERMAN, and I—I can't recall the exact amount, but I will pretty much be in the ballpark to tell the Senate that a contested race in Connecticut is now somewhere between $4 and $6 million. I promise you, if you went back 24 years, prior to 1974, you would have found an increase in the cost of campaigns but nothing like we

have seen in the last 25 years, with no indication this trend line is going anywhere but up in the coming years.

The issue before us is whether or not we can come up with some mechanism which reduces the money chase, brings down the cost of these campaigns, which is what the Torricelli amendment tries to do by insisting the lowest unit rate be charged for campaign costs for advertising, and now what our colleague from Minnesota has proposed—that is, the creative idea of saying to the 50 States that if you decide you would like to have this kind of a mechanism for your candidates for Federal office, we should not necessarily stand in the way.

If this were a mandate, then I think it would run into immediate constitutional problems. There may be some with this anyway. I know States in the past have tried to pass legislation which would put limitations on us, such as term limits. In every one of those cases, the courts have overruled State statutes which would limit the ability of people to serve here. We ourselves could put limitations in the Constitution on our service, but States don't have the right, according to the Supreme Court or the Federal courts, to do that.

I do not think this amendment falls into that category. This is not some limitation on a Member's right to run or to serve. It merely offers the option of a different mechanism for financing the campaign. While I am not a constitutional scholar, I am sure there will be those who make the case that this may suffer from a constitutional flaw. I am sure there will be others who will argue that this does not.

In my view, because this does go in a direction that contributes significantly to the underlying bill Senator MCCAIN and Senator FEINGOLD have submitted to us, it is worthy of support.

I commend my colleague from Minnesota for offering this creative idea. We are constantly hearing from our colleagues how we need to give our States more flexibility. It is a call we hear quite frequently in one piece of legislation after another. My colleague from Minnesota and I serve on the Education Committee of the Senate. We have just spent a number of days—marking up, as we call it—writing up the education bill for elementary and secondary education.

One of the important debates was how much flexibility we would give our local communities and our States in using Federal dollars. It is a worthy debate because most of us embrace the idea that local communities ought to have a great deal of latitude in deciding how the education system ought to work in those communities.

I will be interested to know if those who are most vociferous in arguing for greater flexibility at the State level in the education of our children would not similarly be inclined to support this amendment which would offer greater flexibility to our States that may decide that the cost of campaigns in their States has gotten out of control; that they would like to do something about it; that they would like to offer Federal candidates an option that would reduce those costs.

I am attracted to this amendment. I think it has value. I urge my colleagues to read it carefully, to raise questions to my colleague from Minnesota, if they have them, and then vote for this amendment. I think it deserves our support. I know others will come to the floor to address this matter. I don't know if my colleague care to take a few more minutes or not. I am prepared to stay with him and engage in some debate. If not, we could suggest the absence of a quorum and urge Members to come to the floor to discuss the amendment.

Mr. WELLSTONE. Mr. President, first of all, I thank my colleague from Connecticut. There are three or four Senators who want to speak, and I have more to say. Frankly, I don't want to use up all of our time without hearing from the opposition. I will take a few more minutes. If nobody is here, I will suggest the absence of a quorum and ask that the time be charged to the opponents of this amendment. I would like to hear from them rather than burning off all my time.

Mr. DODD. Well, I suggest that the time be charged to both sides equally. That is normally how we proceed. Why not go ahead, and I am sure others will come to the floor.

Mr. WELLSTONE. All right. Mr. President, there are 65 organizations that support this amendment. I ask unanimous consent that this list be printed in the RECORD.

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

SIXTY STATE AND NATIONAL ORGANIZATIONS SUPPORTING ''STATES' RIGHTS'' AMENDMENT

ACORN—Association of Community Organizations for Reform Now
Alliance for Democracy
American Friends Service Committee of Northeast Ohio
Arizona Clean Elections Institute
California Clean Money Campaign
Campaigns for People, Texas
Citizen Action of New York
Citizen Action of Illinois
Colorado Progressive Coalition
Connecticut Citizen Action Group
Democracy South
Equality State Policy Center, Wyoming
Fannie Lou Hamer Project
Florida Consumer Action Network
Florida League of Conservation Voters
Georgia Rural-Urban Summit
Global Exchange
Gray Panthers
Hawaii Elections Project
Indiana Alliance for Democracy
Iowa Citizen Action Network
League of United Latin American Citizens
Louisiana Democracy Project
Lutheran Office for Governmental Affairs—Evangelical Lutheran Church in America
Maine Citizen Leadership Fund
Maryland Campaign for Clean Elections
Massachusetts Voters for Clean Elections
Michigan Campaign Finance Network
Midwest States Center
Minnesota Alliance for Progressive Action
Missouri Voters for Clean Elections
Money in Politics Research Action Project, Oregon
National Voting Rights Institute
NETWORK: A Catholic Society Justice Lobby
New Hampshire Citizen Alliance for Action
New Jersey Citizen Action
New Mexico Alliance for Community Empowerment
New Mexico Progressive Alliance
North Carolina Alliance for Democracy
Northeast Action
Progressive Leadership Alliance of Nevada
Progressive Maryland
Public Campaign
Rainforest Action Network
Religious Action Center of Reform Judaism
Rural Organizing Project, Oregon
San Fernando Valley Alliance for Democracy
Sierra Club
South Carolina Progressive Network
United Methodist Church—General Board of Church and Society
United for a Fair Economy
United Vision for Idaho
USAction
USPirg
Utah Progressive Action Network
Vermont Pirg
West Virginia Citizen Action
West Virginia Peoples' Election Reform Coalition
Western States Center
Wisconsin Citizen Action

Mr. WELLSTONE. Mr. President, these different organizations range from the national AFL–CIO to AFSCME and SEIU. Also, at the State level, there are a lot of different State organizations, including the California Clean Money Campaign, Arizona Clean Elections Institute, the Maine Citizen Leadership Fund, Maryland Campaign For Clean Elections, Massachusetts Voters Information Clean Elections, Public Campaign, Missouri Voters For Clean Elections, the Catholic Social Justice Lobby, New Hampshire Citizen Alliance For Action, Florida Consumer Action Network, and it goes on.

Then there is one organization I mention, which is the Fannie Lou Hamer Project. I mention that project because I think in a lot of ways—and I hope I say this the right way because I have such deep love and respect for the memory of Fannie Lou Hamer. For colleagues who don't know about her, Fannie Lou Hamer was the daughter of a sharecropper in Mississippi. There were 14 children in her family, and she grew up poor. She was one of the great leaders of the civil rights movement.

The reason I mention the Fannie Lou Hamer Project is that Fannie Lou Hamer uttered the immortal words, ''I am so sick and tired of being sick and tired.'' She was talking about economic justice issues. I think the reason the Fannie Lou Hamer Project is one of the organizations that is most behind this amendment is that a whole lot of people in the country—and I think this whole issue of campaign finance reform—when you say it that way, it doesn't have passion. It is about civil rights. I hear colleagues talking about freedom of speech and that more money is freedom of speech—the more

money, the more speech, and then some people who have all of this money use a megaphone to drown everybody else out.

I am all for freedom of speech. I think the Supreme Court is right, although I didn't agree with the decision in Buckley v. Valeo. If there was a problem of corruption, that is the time for reform, they said. If you think the standard of a representative democracy is that each person should count as one, and no more, we have violated that standard.

I will put this in a civil rights context for a moment. A lot of people believe they don't have the freedom to be at the table, the freedom to participate in the political process, or the freedom to run for office; and they don't have the freedom to be people who can affect who runs for office because they don't have the big dollars.

Honest to goodness, I believe that ultimately this debate is all about—I wish I had brought the brilliant speech that Bill Moyers gave called ''The Soul of Democracy.'' This is about the soul of democracy. If my father Leon was alive today—the Jewish immigrant I mentioned earlier—he would say this is all about this wonderful, bold, beautiful experiment we have had in self-rule in the United States of America. We don't want to lose that. We don't want to have a minidemocracy or a psuedodemocracy, when only certain people can run for office, when some people matter a whole lot more than other people, in terms of who can affect our tenure and who can't. This becomes a justice issue.

I say to my colleagues—and I will be very frank about it—the reason for this is absolutely constitutional. Not in one court case—and I mentioned the Minnesota court of appeals case—has any judge raised a constitutional question. We make it crystal clear that we are simply saying that—it is almost like consumer law, where we make it clear, hey, there is a Federal standard that no State can go below it. But if the State of Florida or Minnesota want to do better, they can do so.

Colleagues, we can do a lot better when it comes to financing campaigns. Justice Brandeis was right; the States are laboratories of reform, and I challenge Senators to come to the floor and vote for the proposition that if your State wants to apply a full or partial public financing on a voluntary basis to congressional races so that the people of Florida, or Connecticut, or Arizona, or Wisconsin, or Minnesota, or you name it, can feel like, by God, we have put together a model program for the Nation—we are leading the way—then let them do so.

I am for McCain-Feingold unless it gets too weakened. We had this debate yesterday where Senators came to the floor and said we were presenting the millionaires amendment. Their answer to the problem of people who have their own wealth and can finance their own campaigns was to dramatically raise the spending limits. So now somebody can go from $1,000 to $6,000 a year. I recited the figure yesterday that one-quarter of 1 percent of the population contributes $200 or more, and one-ninth of 1 percent of the population contributes $1,000 or more. Now we are raising it to $6,000.

Well, if you are worried about the great advantage the wealthy candidates have, then what you want to do is move toward a system of clean money, clean elections. I wish we could pass it at the Federal level. That is what makes it a more level playing field. But if we can't pass it at the Federal level, at the very minimum—and if we can't pass it at the Federal level because some of the folks who have such power can basically block that, so we have to move along with McCain-Feingold as a first step, fine; but would it not make McCain-Feingold stronger to allow States to move forward if they want to do so?

I met with some of the legislators and some of the candidates, both Democrats and Republicans, from the State of Minnesota, and it was one of the most inspiring meetings I have had. Oh, God, how I yearned that this could be our elections. They were telling me: PAUL, I was an incumbent and I had the money and I could have beat a challenger, but it wasn't the right thing to do any longer. So I agreed to participate in a clean money, clean election campaign. I felt so much better about it. I did the right thing. That was a Republican.

Then you had challengers saying: If we didn't have this clean money, clean election system, there would be no way, as a challenger, I could have raised the money. This created, more or less, a level playing field.

Everybody was saying: We had to spend less time at these big-dollar fundraisers and less time with cash constituencies and a lot more time with real constituencies. We could be at the coffee shops, we could be not chasing the big dollars but focusing on the big issues.

Well, Senators, vote for this amendment and at least let your State lead the way. If they want to pass it in the legislature, or by initiative, or referendum, however it is done, a law that would apply a voluntary partial, or some form of public financing, to the Senate and House races from States, let them do so. Let them become the laboratory of reform. See how the people like it. You know something. You will be striking a blow not only for clean money, clean elections, but you will also, as my colleague from Connecticut pointed out, be consistent about being a decentralist and letting States lead the way if they have a model program.

The third thing you are going to do, and I do not know if I should make this argument because it may be a reason people vote against it, but the third is you are going to be nurturing and promoting a lot of grassroots politics at the State level because once people realize at the State level they might be able to achieve this—since it looks like we are not there yet, though we are going to take a good step forward, I hope, with McCain-Feingold—there is going to be a wave of grassroots involvement where people in the States are going to try to win this. And that is great.

I am looking to win this vote. I am looking for a vote for every reformer. Every Senator who says he or she is a reformer should vote for this amendment. I am looking for a vote from Democrats. I am looking for a vote from those Senators who voted against the so-called millionaire amendment because they did not think it was much of a reform to get to the point where you have a contest with someone who has a lot of resources versus someone who is dependent on the top 1 percent for their economic resources. I am looking for their vote for this. I am looking for support from Democrats and Republicans.

Some of my Republican colleagues come from States that have passed clean money, clean election legislation, a voluntary system at the State level. They are doing it, and they are doing it well. Can we not vote for the proposition that we ought to at least let the people in our States decide? That is all this amendment says.

If there are colleagues who want to speak, that is fine. I have been told other Senators are on their way. I will suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides. But I ask those opponents to come to the floor—we do not want to use up all of our time, unless the opponents want to throw in the towel right now and vote for this amendment. That would be OK, too.

I yield the floor and suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DODD. Mr. President, I ask unanimous consent that the distinguished Senator from Florida be recognized to speak for 5 minutes as in morning business and that the time not be charged to the present amendment.

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

(The remarks of Mr. NELSON of Florida are located in today's RECORD under ''Morning Business.'')

Mr. MCCONNELL. Mr. President, on the subject of the Wellstone amendment, if my understanding is correct, I believe the Senator from Minnesota allows each State legislature to determine whether or not there could be a

system of taxpayer funding and spending limits imposed on Federal elections from that State.

There are a lot of issues we don't know much about in terms of public opinion. But we do have a pretty good sense of how people feel about having their tax dollars used to elect public officials. In a research project in September of 1999, the question was asked: Should public funding be provided for all candidates running for Congress? It was very simply put. The public responded yes, 25 percent; no, 56 percent; not sure, 18 percent.

The use of the term ''public funding'' produces a better result for the proponents of taxpayer funding of elections because ''public'' is presumed to be sort of a benign thing producing a positive response. I am unaware of what the answer would have been had the words ''taxpayer funding'' of elections been inserted, but we do know when Americans know it is their tax money that is being used, it produces a response sometimes ranking right up there with anger.

We have an opportunity every April 15 to have the biggest poll on this subject ever taken in America. It is the check off on our tax returns which doesn't add anything to our tax bill. It simply diverts $3 of taxes we already owe to the Presidential election campaign funds. It doesn't add to our tax bill. Last year, only about 12 percent of Americans checked off indicating they wanted to divert $3 of their tax bill away from children's nutrition or defense of the Nation or any other worthwhile cause the Government funds into a fund to pay for buttons and balloons at the national conventions which get some of the tax money, and the Presidential campaigns, which get some of that tax money.

Interestingly enough, this has continued to drop over the years. It was originally $1 when it was set up back in the mid-1970s. The high water mark of taxpayer participation was 29 percent in 1980. It has gone consistently down since then. Ten years ago, in order to make up for the lack of interest, when the other party was in charge of both Houses and the White House, the $1 check was upped to $3 so that fewer and fewer people could designate more and more money to make up for the lack of public interest in having their dollars pay for political campaigns.

In short, with all due respect to the Senator from Minnesota, who has been very straightforward about the fact he would like to have taxpayer funding of all elections in America, this is not an idea widely applauded by the American people. In fact, they hate it. Almost any way you ask the question, there is a negative response.

I hope this amendment will be defeated. It certainly takes us in exactly the wrong direction if the idea is to produce a campaign finance reform bill out of the Senate which might subsequently at some point be signed by the President of the United States. I think it is further noteworthy that the Presidential system is collapsing anyway. President Bush was able to raise more money because of his broad support across America and chose not to accept the public's subsidy and the speech restrictions on his campaigns that go along with that on a State-by-State basis.

Another candidate, Steve Forbes, obviously because of his own personal wealth, chose not to take public funding. I think that is a trend. I think you are going to see more and more candidates for President on both sides of the aisle deciding they do not want to use taxpayer funds for their elections because a number of bad things happen to you once you do that.

We know that once you opt into the system, you are stuck then with all the auditors and all the restrictions. We know one out of four of the dollars spent in Presidential elections has been spent on lawyers and accountants trying to help the candidates comply with all the rules that come along with it and of course also telling them how they can get around those rules.

So it is a pretty thoroughly discredited system that I think most Members of the Senate are not going to want carried over to congressional races as well. It is bad enough the Presidential elections are stuck with it. And of course they are ignoring it.

Issue advocacy was huge in the Presidential election. One of the reasons both sides have gone to using issue ads is the scarcity of hard dollars, even when supplemented with tax dollars in the Presidential race, a genuine scarcity in terms of the enormous audience you have to reach in America.

This is a system that simply does not allow the candidates for President to get out their own message. To give State legislatures the opportunity to impose that on us without our will, without acting at the Federal level, seems to me a particularly bad idea. I hope this amendment will not only be defeated but be soundly defeated.

I yield the floor and retain the remainder of my time.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, there are two colleagues on the floor, and I will just take 1 quick minute to respond. How much time do we have left?

The PRESIDING OFFICER. Just under 24 minutes.

Mr. WELLSTONE. Just under 24 minutes. I say to all Senators—or staffs, because quite often staffs follow this debate as well—it all depends upon how you frame the question. Actually, when you talk to people and say, do you want to try to get some of the private money out and big dollars out and you want to have clean money, clean elections where they are your elections and your government, people are all for it. It depends on how you frame the question.

But all the arguments my colleague from Kentucky made do not apply to this amendment. Mr. President, 24 States including the State of Kentucky have a system of public financing or partial public financing. They must like it. But the point is, we give people in our States the right to decide. That is all this amendment says.

I made the argument for clean money, clean elections. But that is beside the point. What we are saying is let the States be the laboratories of reform and let the people decide—what they did in Maine, or what they have done in Massachusetts, or what they have done in Arizona, or what they have done in Vermont, or, for that matter, what they have done in a lot of other States with partial public financing. Let them decide whether, on a voluntary basis, they want to apply that to congressional races. That is the point. We do not get to make that decision for them. You are just voting on the proposition of whether or not you want to let the people in your States make the decision.

Mr. President, I yield 10 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. REID. Will the Senator yield just for a unanimous consent request?

Ms. CANTWELL. Yes.

Mr. MCCONNELL. Mr. President, after consultation with the assistant Democratic leader, I ask unanimous consent that the vote on the Wellstone amendment occur at 2:15.

Mr. KERRY. Reserving the right to object, Mr. President, I would like to ascertain how much time remains and how much time might be available.

Mr. MCCONNELL. If I may finish, I say to my friend from Massachusetts, the thought we had was 20 minutes of the time between now and then would be for your side and 10 for our side.

Mr. REID. I think that is about all the time we have anyway, isn't it, on Senator WELLSTONE's time.

Mr. KERRY. How much time remains on our side?

The PRESIDING OFFICER. There remain 21 minutes 52 seconds.

Mr. KERRY. Could I ask for 12 minutes?

Mr. REID. Senator CANTWELL, I think, indicated she would like 8 minutes.

Mr. WELLSTONE. I would like to reserve. There are others coming. Unfortunately, when we went into a quorum call, the time was equally divided because we didn't have people down here. I would like to reserve the last 3 minutes for myself.

Mr. REID. I say to my friend from Minnesota, we have 21 minutes.

Mr. WELLSTONE. Let's do 10 and 8.

Mr. MCCONNELL. I will be glad to accommodate your side. Senator WELLSTONE wants to speak again, Senator CANTWELL, Senator KERRY—are there others?

Mr. REID. Senator CORZINE wanted 5 minutes.

Mr. WELLSTONE. You tell me how to do that.

Mr. KERRY. Mr. President, I ask unanimous consent that, after the Senator from Washington, I be permitted to speak for 10 minutes and we have the vote at the conclusion of that amount of time, and allowing for the time for the use of the Senator from Kentucky as the manager on his side.

Mr. MCCONNELL. What I would like to do is set a time for the vote in consultation with the Senators on the floor, and we will divide the time after that.

Mr. KERRY. Mr. President, could I suggest perhaps we allow the Senator from Washington to begin speaking and arrange the time?

Mr. REID. How much time does the Senator need?

Mr. KERRY. Mr. President, 12 minutes.

Mr. REID. CORZINE 5 minutes; WELLSTONE, 5 minutes.

Mr. MCCONNELL. CANTWELL?

Mr. WELLSTONE. Mr. President, 10 minutes. Vote at 2:30.

Mr. MCCONNELL. Mr. President, I ask unanimous consent a vote occur on the Wellstone amendment—on or in relation to the Wellstone amendment at 2:30.

Mr. REID. And the time be allocated——

Mr. MCCONNELL. The time be allocated in the following manner: 12 minutes for Senator KERRY, 5 minutes for Senator CORZINE, 5 minutes for Senator WELLSTONE at the end, 5 minutes for Senator CANTWELL—10 minutes for Senator CANTWELL.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. And 2 minutes before the vote for the Senator from Kentucky.

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

The Senator from Washington.

Ms. CANTWELL. Mr. President, I rise today in support of the McCain-Feingold campaign finance reform legislation and the Wellstone amendment. I ran for the U.S. Senate because I believe it is time for us to reform our political system and bring it into the 21st century. At a time where citizens are more empowered than ever with information, where access to technology and communications tools makes it possible for citizens to track and understand on a daily basis our legislative progress, and where citizens understand exactly the tug and pull of the legislative process, that is, who is getting tugged and who is getting pulled. It is time to respond with a political system that is more inclusive in the decision process. That meets the best long term needs of our citizens, instead of a political system of financing campaigns that rewards short-term expedient decisionmaking.

But before I go on about the Wellstone amendment that I rise to support, I want to thank the authors of the bill, Senators JOHN MCCAIN and RUSS FEINGOLD, for the commitment, determination, courage and perseverance that they have demonstrated on this issue. Campaign finance reform has few friends. It has many enemies. It suffers from a public that simply believes that we can not reform ourselves or this system. JOHN MCCAIN and RUSS FEINGOLD, at great personal expense, have championed this cause for many years and I am proud to join them in the heat of this battle.

I rise today in support of the Wellstone amendment that I am cosponsoring along with Senators CORZINE and KERRY because I believe it will truly start us down the road of progress. Progress in allowing clean money and clean money efforts to finance campaigns. There is almost a grassroots effort popping up in many States such as Maine, Vermont, Arizona, and Massachusetts, and hopefully with this amendment, in many more States across our country.

The clean money effort allows us to put our political system where it belongs—back in the hands of the public, making it more accountable for the people we represent. This is the political reform that our country so badly needs.

The money we raise from special interests plays a role in politics. It plays a role in setting the terms of the debate. It plays a role in what issues get placed at the top of the legislative agenda. And, most importantly, it keeps the focus in the wrong place.

Elizabeth Drew, wrote a book called ''Whatever It Takes,'' that chronicled some of the way business and the Congress operate. Paraphrasing her remarks, some of the interest groups oppose legislation because it is the camel's nose under the tent. It is something they can stop, and so they do.

We need a political decision making process in Congress in an information age where people are brought together, and not just met with because we agree with them. Our failure to act to reduce the amount of money in politics is feeding the skepticism and cynicism about politics and government among our citizens, and particularly our youth.

At a time when we are not far from Internet voting, we ought to have a system of financing campaigns that encourages our citizens to be more involved. Our citizens believe the current campaign finance system prevents us from acting in their interest.

We have been through a technology revolution in this country, and we have to have a governing system, and a campaign system that will keep pace with it.

I was reminded in this last cycle—going around the State of Washington, I met a constituent who wanted to tell me about a piece of legislation. They turned around to their desktop and printed off the bill that was being considered, circled the sections of the bill they were most interested in, and said: Now tell me why we can't get this passed by the U.S. Senate.

I didn't have to answer this person. They knew very well why it was not getting addressed in the Senate. And that is why we need to change our system.

I welcome Senator WELLSTONE's amendment and his recognition that States can be leaders in this area. I hope my colleagues embrace the spirit of this amendment and recognize it for what it is—a great opportunity to watch, to see, and to learn from those experiments that are happening at the State level.

As Senator WELLSTONE said, States are great laboratories. By letting States that are interested in doing so set up public funding systems for their Federal candidates, we will be providing ourselves with valuable research on how we can level the playing field and get the money out of politics.

Think about that: The time that Members spend raising money instead spent listening to the voters in their States.

We have already learned from the clean money election systems in Maine that candidates taking part in that voluntary system have had the following things say:

It was easier to recruit candidates to run for office.

It is what the people want.

I will only have about half the money I raised last time but much more time to talk to the people.

We have learned that voluntary limits can work. In his Senate race in 1996, Senator JOHN KERRY and his opponent, then-Governor Bill Weld, agreed to a voluntary spending limit, and the result was a campaign waged largely on the issues. Senator KERRY proved there are incentives for both sides to improve the political discourse.

In Arizona, 16 candidates were elected under the clean money system, including an upset victory over the former speaker of the State senate. And the challenger spent only one-quarter of the money that his opponent took.

In Maine, 49 percent of the State senate candidates won their seats while participating in the clean money program.

Overall, States implementing public financing have seen more candidates run, more contested primaries, more women running for office, and, most importantly, it is proving that good candidates can run winning campaigns and participate in a system that limits spending.

The only way we have to truly level the playing field, both between candidates and parties of opposing ideologies, and more importantly, between new candidates and incumbents, is to commit the resources to the process of getting people elected.

Not until we create a campaign system with a shorter and more intensive campaign period—something I think the public would truly applaud—funded with finite and equal resources available to all candidates, will we be able to really listen carefully to what the people want.

Not until then will we be able to free candidates from the time, and the energy drain that is needed for dialing for dollars. Not until then will we be able to improve the quality of political discourse, to play down the dominance of polls, to render tax-driven negative ads ineffective, and to remove the appearance that political decisionmaking is not based on principle but on the dependence on funds.

We can't in an information age and a technology age be smart enough to figure out how to make prescription drugs and new therapies improve the quality of life and health care and yet not even have the debate to make prescription drugs more affordable.

Why is that? Because it, too, has gotten clogged in this debate and campaign finance reform. Senator WELLSTONE's amendment removes the roadblock to exploring new options for getting people elected in a new information age. I support the right of States to experiment with new ideas to help level the playing field and to improve our election process and our campaign system.

Thank you, Mr. President.

Mr. WELLSTONE. Mr. President, I thank Senator CANTWELL but remind her that actually we worked together on this amendment. It is really our amendment—the Wellstone-Cantwell-Kerry amendment.

I thank the Senator for her help on the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I thank the Chair.

Mr. President, let me begin my comments by making it as clear as I can that I am a strong supporter of the McCain-Feingold legislation. I have had the pleasure of working with both of them through the years on campaign finance reform. I want McCain-Feingold to pass the Senate and ultimately be signed into law.

But let me also make it equally as clear to my colleagues and all Americans who are focused on and care about this issue that what we might achieve, if we pass McCain-Feingold, is only a small step towards what we ought to be trying to do in this Congress. The fact is that even if we pass McCain-Feingold, all that we would have achieved is a reduction—it is not all, but it is significant and it is important—in the soft money flow to our campaigns through either corporate contributions or private contributions.

Nothing in McCain-Feingold is going to restrain the arms race of fundraising in the United States. Nothing in McCain-Feingold is going to restrain ultimately the dependency of people in Congress to have to go out and ask people for significant amounts of money in total—because of amounts of money that you can give Federally—hard money up to the $25,000, which may well be lifted in the course of this debate—people who have $20,000, $25,000, or $15,000 to make in a contribution will have far more capacity to be able to affect Federal campaigns than the average American citizen.

I do not know if my colleagues are aware of this, but almost all of the soft money that was contributed in the last election cycle for both parties came from about 800 people. Obviously, those 800 people have the capacity to be able to put up larger Federal contributions or match Federal dollar contributions.

What the Congress ought to be doing and what we ought to be focused on is how to put the greatest distance between each of us in the fundraising and create the greatest proximity between each of us and the people who vote for us or who are asked to vote for us.

The Senator from Kentucky said earlier in this debate that this amendment by Senator WELLSTONE, myself, and Senator CANTWELL is a bad idea because it would tell the States how to run a Federal election, or it would take our campaigns—I think was the language—and prevent the States from somehow living by the rules that the Federal Government has set up or espouses. Nothing, again, could be further from the truth.

First of all, it is not our campaign. It is the voters' campaign. This election belongs to the voters of each of our States. How presumptuous of us to stand here and say we should deny the voters of our States the right to elect us the way they might like to elect us.

Moreover, this amendment is purely voluntary. No Member of Congress is compelled to go with the system even if a State requires it. So it is really only a half preemption. It is a way of saying to those 24 States—almost half the States in the Union; among them the State of the Senator from Kentucky. They have already adopted some form of public financing. Every one of those States has decided they do not want special interests governing the elections. They want to reduce the election process to the simplest connection between candidate and voter.

I am pleased to say that ever since I ran in 1984—the first time for the Senate—I have been able, thus far, to run without taking the larger conglomerate funds, the PAC money funds. I think I am the only Member of the Senate who has been elected three times without taking PAC money. I am proud of that. That is not because PACs are inherently evil or a bad part of the process. I think it is fine under the Constitution for people to come together and give money jointly through a PAC. The problem is, when it is conglomerated the way it is, in the amounts that it is, it leaves our fellow citizens with the perception that the system is up for grabs; that the money is what controls the elections of our country.

Senator JOHN MCCAIN, in the course of his Presidential campaign, elicited from his countrymen and women a great sympathy for that notion. Part of what propelled that campaign was people's conviction they do not get to control what happens in the Senate and the House of Representatives, but the large money has more control over what happens here than their conglomerate votes they express on election day.

What the Wellstone-Kerry-Cantwell amendment seeks to do is simply give a choice to States. If you are a conservative and you believe in States rights, here is the ultimate States rights amendment because what we are saying is that a State has the right to offer to its candidates a different way of getting elected. And if the candidate for Federal office wants to take advantage of that, they may. It does not require you, there is no mandate, any person in the Senate who wants to go out and rely on their amounts of money they can raise can do so. But it gives to the State the right to put that as an offering to those who run.

Why is it that we should stand here and take ownership of the campaign away from the people who elect us, and deny them the right to say they would like to see the races for the House and the Senate run by the same standard that we run our race for Governor and for our local legislature?

As I said earlier, nothing in McCain-Feingold will ultimately resolve the terrible problem of Senators having to raise extraordinary sums of money. The reason for that is we are still going to have to go out and raise tens of millions of dollars, except it will be without soft money; it will be so-called hard money.

Let me say to my colleagues, they will still—each of them—be completely subject to the same kinds of questions that exist today about the linkage of money and politics. The only way we will ultimately divorce ourselves from that perception which leads most Americans to believe that this whole thing is somehow out of their reach and out of their control, and that it is gamed and they cannot really make a difference—the only way you will affect that, ultimately, is to adopt some form of public financing.

I know the votes are not here today. I know too many of my colleagues are comfortable with the status quo. I know we cannot win that vote in the Senate today. But that does not mean we should not put it in the debate. And it does not mean we should not require a vote because the real test of whether or not people want our democracy to work is whether or not we are going to do the most we can, in a most reasonable way, to separate ourselves from the fundraising that is so suspect and that taints the entire system.

I respectfully suggest to my colleagues that a voluntary system—once again, purely voluntary; no challenge to the first amendment at all; no mandate whatsoever; no constitutional issue —simply a voluntary system that would allow a candidate to go for matching money, in the same way that we do in the Presidential race, and have done for years—and, I might add, contrary to what the Senator from

Kentucky said, with great success—even President George W. Bush in the general election took the public funding. He ran for President of the United States with public money. Bob Dole ran for President of the United States with public money. President George Bush first ran with public money. President Ronald Reagan ran with public money. Why is it that if it is good enough to elect a President of the United States, it should not at least be voluntarily available to those who run for the Senate?

The reason is too many of my colleagues know that might put the opposition on an equal footing with them. Too many of my colleagues are comfortable with the system where they can use the incumbency to raise the large amounts of money and not allow for a fair playing field that enhances the democracy of this country.

That is why the Senate has more than 50-percent membership of millionaires—because most people in this country cannot afford to run for the Senate. That is how our democracy in this country is, in fact, distorted. We do not have a true representation in the so-called upper body of America because too many people cannot even begin to think about running for office in this country.

Last time I ran in the State of Massachusetts, the Governor of the State, a Republican, joined with me in putting a limit on what we would spend. We voluntarily agreed to no independent expenditures. We voluntarily agreed to no soft money. We voluntarily agreed on a total limit of how much we would spend in our campaign on the ground and in the media.

The result of that was, we had nine 1-hour televised debates. And in the course of those nine 1-hour televised debates—in the course of all the free media—the people in the State were able to hear a debate about Social Security, a debate about Medicare, a debate about health care, a debate about the economy; and they ultimately made a decision.

I say to my colleagues, I warrant that 95 percent or 100 percent of the dollars we spent on paid advertising—which were equal amounts—was a complete wash, a mishmash that ultimately did not affect the outcome.

We are hocking the Congress of the United States to our fundraising efforts in order to be able to run paid advertisements that result, generally speaking, in a clouding of the issues, not a shedding of light to people about what these issues are really about.

The only way to stop having Americans ask about the influence of money is to adopt the greatest division between us and the influence of the money. And that will come through some form of public financing.

I will be speaking more about this in the next few days. I will be offering an amendment to this bill that tries to go further than what we currently have on the table. I know the reason Senators MCCAIN and FEINGOLD have settled where they are is because this is the best chance we have for the votes we have today. But that does not mean the Senate should not be called on to debate and vote on an issue that ultimately will be the only way out of this morass that we find ourselves in.

I think my time has expired.

The PRESIDING OFFICER (Ms. STABENOW). The Senator's time has expired.

Mr. KERRY. I thank the Chair and hope my colleagues will support this voluntary opportunity that the Senator from Minnesota offers.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Madam President, do we have, all together, 10 minutes remaining?

The PRESIDING OFFICER. There is a total of 20 minutes preceding the vote. The Senator from Minnesota has 5 minutes remaining, and the Senator from New Jersey has 5 minutes.

Mr. WELLSTONE. I say to my colleague from Massachusetts, if he would like, I will yield an additional 5 minutes to him. I will reserve the final 5 minutes. We are in complete agreement. He is making a very strong statement for clean money, clean elections.

Mr. REID. Madam President, if the Senator will yield, the Senator from New Jersey is on his way. He has 5 minutes. The Senator from Minnesota has 5 minutes. The rest is under the control of the Senator from Kentucky. That was the understanding we had.

Mr. WELLSTONE. I am sorry, I was under the impression that the Senator from New Jersey would not be able to make it at all.

Mr. REID. He is on his way.

Mr. WELLSTONE. I will take my time now. This is a joint effort. There are a number of different Senators who are part of this: Senator CANTWELL worked very hard on this, Senator KERRY; Senator BIDEN is an original cosponsor; Senator CORZINE is an original cosponsor; Senator CLINTON is an original cosponsor. There are other Senators as well.

My colleague from Kentucky has made the argument before—in fact, I remember debating him on MacNeil, Lehrer that public financing, a clean money, clean election bill, which Senator Kerry and I have written, would amount to ''food stamps for politicians.'' The problem with that argument is that it presupposes that the election belongs to the politicians. The election belongs to the people we represent.

I argue that McCain-Feingold is a step in the right direction, but if we want to have a system that gets out a lot of the big money, brings people back in, is not so wired for incumbents, and assures that we have a functioning representative democracy where we do live up to the goal of each person counting as one, and no more than one, frankly, clean money, clean elections is the direction in which to go, as has already been accomplished by a number of States. Maine, Vermont, Massachusetts, and Arizona have led the way, but there are about 24 States in the country that have some system of public or partial financing.

We are not voting today for clean money, clean elections. We are just voting on the following proposition: Will we vote to allow our States, the people in our States and their elected representatives, the right to decide whether or not a system of voluntary partial or full public financing should be applied to U.S. House and Senate races. Why don't we allow the people in our States the chance to make that decision?

This is a Brandeis amendment. States are the laboratories of reform. For Senators who say they want States to decide on the most fundamental core issue of all, which has to do with representation, let them decide. If they don't want to adopt such a system, they won't, but let them decide.

Secondly, by doing that, we will nurture and provoke a wave of grassroots citizen involvement because people will realize that at their State level not only can they adopt clean money, clean elections that affect State races, but they can do it so that it will affect our races.

This is simply an amendment that says: Let the States, our States, make the decision whether they want to adopt such a voluntary system of partial or full public financing or clean money, clean elections.

Senator CORZINE and Senator BIDEN are on the floor. I yield the final 6 or 7 minutes equally divided between the two of them. I yield 3 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Minnesota has used his 5 minutes.

The Senator from Delaware.

Mr. BIDEN. Madam President, I thank my colleague from Minnesota, Senator WELLSTONE, for bringing this amendment to the Senate, and I am pleased to join him in this effort to finally break the ice on getting rid of special interest money in our campaigns—once and for all.

He and I have been at this for a long time, a very long time. And while I support the McCain-Feingold bill, we have to remember that it only addresses a portion of the problems we have.

Indeed, the effort to secure real reform of the way we finance political campaigns has been a central concern of my entire Senate career, almost three decades. In fact, the first Committee testimony I ever gave as a U.S. Senator, back in 1973, was to speak in favor of public financing and spending limits for campaigns.

And if you think campaign finance reform is a tough issue today, let me tell you, as some of my colleagues well remember, it was truly unpopular then.

As I continued to push for public funding of campaigns in 1974, my goal

was to get rid of special interest money—money that pollutes the system and drowns out the voices of ordinary persons. Special interest money has a tendency to influence anyone running for public office, or at a minimum, casts that impression that elected officials are beholden to someone other than the American people.

Public financing also helps to level the financial playing field for challengers taking on well established incumbents who had virtually all of the fund-raising muscle.

But again, I encountered a lot of opposition, from colleagues on both sides of the aisle. A story I know I have told before: One senior Senator pulled me aside in the cloakroom, and told me that he had worked hard and earned his seniority, and he was not going to open the door for some challenger to be able to raise as much money as he could. He basically asked me—I expect when he would tell the story, he didn't ask me, he told me—to stop what I was doing.

In that same year, 1974, I wrote an article for the Northwestern University Law Review, outlining the three principal reasons that I was pursuing campaign finance reform. First, a political process that relied totally on private contributions allowed for, at the very least, the potential of wealthy individuals and special interest groups exercising a disproportionate influence over the system.

Second, such a process meant that wealthy candidates had an almost insurmountable advantage. And third, incumbents had an equally daunting advantage; the system virtually locked them into office.

We did make some progress in 1974, largely because of documented abuses in the 1972 presidential campaign, with the passage of Amendments to the Federal Election Campaign Act of 1971, known as the FECA. The 1974 amendments, which I supported, established the Federal Election Commission to help ensure proper enforcement of campaign laws, and also set the now familiar federal campaign contribution limits of $1,000 for individuals and $5,000 for political action committees.

The amendments further established campaign spending limits and expanded public financing for presidential campaigns.

Not unexpectedly, the constitutionality of the 1974 amendments was challenged almost immediately, and the Supreme Court decided the issue in its 1976 landmark ruling, Buckley v. Valeo.

The Court upheld the law's contribution limits, but overturned the limits on expenditures as a too severe restriction of political speech. The Court did leave open, however, the possibility of spending limits for publicly financed campaigns—which, so far, despite my best efforts, has been limited to presidential campaigns—because the candidates could disregard the limits if they rejected the public funds.

There were additional issues in the case, not directly related to campaign financing, including a separation of powers question regarding how Commissioners to the FEC were appointed.

In response to the Court's decision, Congress enacted additional amendments to the FECA in 1976, which again, I supported. One amendment repealed the spending limits except for publicly financed campaigns; another addressed the FEC appointment procedures; and another restricted and regulated PAC fund-raising. I also supported a third round of refining FECA amendments, which passed in 1979.

In addition to those successes in the 1970s, there were also frustrations. In 1977, I introduced legislation to prohibit the personal use of excess campaign funds by defeated candidates, by retired or resigned Federal office holders, or by the survivors of a deceased office holder. The bill was debated on the floor, but ultimately failed.

The greater frustrations of the late 1970s and early 1980s were, first, that partisan stalemate kept us from making additional progress, and second, that despite our efforts with the FECA amendments, individual campaigns and political parties were bypassing the laws by taking advantage of loopholes in the regulatory language and system.

We finally broke the stalemate on reform legislation in the Senate, and on narrowing one of the biggest loopholes, by delineating more specific guidelines for the use of political action committees, or PACs, when we passed the Boren-Goldwater amendment in 1986, legislation I was proud to cosponsor. This would have reduced PAC contributions and put a total limit on the amount of PAC money a candidate could accept.

But the celebration was short-lived, and progress on campaign finance reform stalled again, despite our continuing efforts to give it a legislative jump start.

With my colleagues, Senator KERRY from Massachusetts and then-Senator Bradley from New Jersey, I offered public campaign financing bills in the 101st, the 102nd and the 103rd Congresses.

Others among our colleagues were equally persistent during this era, perhaps most notably, Senators Boren and Mitchell, Senator Danforth and Senator HOLLINGS, who has proposed a constitutional amendment to allow Congress to pass legislation setting mandatory limits on contributions and expenditures for federal campaigns. I have supported that proposal in the past, as well as other reforms suggested by the distinguished Senator from South Carolina and other colleagues.

We did manage to pass several significant pieces of legislation through the Senate, only to have the process stalled again in the conference process. And as I know many of my colleagues will remember, we even managed to get a pretty good bill out of conference and through both Houses, in 1992—a bill that included voluntary spending limits in congressional campaigns, in exchange for certain public funding benefits, as well as restrictions on PAC receipts and soft money.

But the legislation was vetoed by President George H.W. Bush, and our Senate override vote failed by 57–42.

When we resubmitted the legislation the following year, with Senator Boren again as the lead sponsor and with President Clinton's support and, indeed, some additional provisions proposed by the White House, the Congressional Campaign Spending Limit and Election Reform Act again got pretty far.

Just as I had done 20 years before, I testified before the Senate Rules Committee, arguing for public financing as the only road to true campaign finance reform. The bill, with one major compromise amendment, passed the Senate 60–38, but a compromise with the House proved more difficult, and our debate ended with a filibuster against appointing conferees.

The 104th Congress saw a famous handshake between President Clinton and the Speaker of the House, Mr. Gingrich, signaling their ''agreement in principle'' to pursue campaign finance reform. And the two major sweeping reform bills, which continue to dominate our debates today, were born McCain-Feingold in the Senate, and Smith-Meehan-Shays, now known as Shays-Meehan, in the House.

Then in 1997, I again partnered with Senator KERRY, as well as Senators WELLSTONE, Glenn and LEAHY, to introduce the Clean Money, Clean Elections Act.

That proposal would have wiped private money out of the campaign system almost entirely, by greatly reducing the limit on individual contributions and imposing an additional limit for each state. Candidates would have received public funds and free media time, calculated by State size.

Unfortunately, as with so many other proposals directed toward public financing for congressional campaigns, we got no further than a referral to committee.

In recounting this history, I do not mean to sound downtrodden or discouraged.

We have made progress through congressional action—with the FECA amendments and since 1979, the elimination of honoraria and the ''grandfather clause'' on the personal use of excess campaign funds, the National Voter Registration Act and the increase in the tax return checkoff for the Presidential Election Campaign Fund from $1 to $3.

The 106th Congress saw no fewer than 85 campaign finance reform bills introduced, 24 of them in the Senate, including the McCain-Feingold bill that we are debating today, as well as the Hagel-Kerrey bill on which hearings were held last spring.

While none of the sweeping reform proposals made it through the last Congress, we did take a small but important step, enacting a proposal initially offered by Senator LIEBERMAN

and later incorporated into an amendment he sponsored with Senators McCain and Feingold.

The legislation, which in virtually identical form to McCain-Feingold-Lieberman was signed into law by President Clinton last July, addressed the problem of so-called ''stealth PACs,'' operating under section 527 of the tax code.

Such organizations claimed tax exempt status, but at the same time also claimed exemption from regulation under the FECA. That meant these stealth PACs could try to influence political campaigns with undisclosed and unregulated contributions, all tax free. The new law closes that loophole, requiring 527 organizations to adhere to appropriate regulatory and disclosure requirements. Again, an important step.

And I hope it is a step that gives us momentum to make further progress in the 107th Congress. My own legislative initiatives, throughout my career, have focused on public financing of federal campaigns, and I continue to believe that it is truest course to reform.

But I have been in the past, and will be in our deliberations now, willing and eager to support other brands of reform that offer responsible regulation and close what can, at times, seem like an endless chain of newly exploited loopholes in existing law.

Our goal, whatever proposal is at issue, must be to uphold the public trust and to secure public confidence in the integrity of our election process. We are not entitled to that confidence; we have to earn it.

That is no small task, especially having just emerged from an election that was not only contentious but expensive—the total amount raised just by the two national parties was close to $1.2 billion, a $300 million increase from the 1996 election cycle.

And half of that $1.2 billion was so-called ''soft money,'' raised and spent beyond the reach of federal regulation, although certainly with the intent of influencing some Federal elections. As the amounts and creative uses of soft money have grown, we must give the issue the serious consideration it merits, as, I might add, McCain-Feingold does, with its outright ban on soft money raising and spending in Federal races.

In the past, as I've attempted to summarize today, we have made some progress, but time and time again, we have stopped short of how far we need to go on campaign finance reform.

The amendment offered by Senator WELLSTONE today gives us at least a chance, for Senate races in some States, to discard the influences of special interests.

Public financing allows candidates to compete on an equal footing where the merits of their ideas outweigh the size of their pocketbook. It frees members from the corroding dependence on personal or family fortune or the gifts of special interest backers. It ends the need for perpetual fundraising by elected officials.

But above all else, it helps restore the American people's faith in our democracy.

The truth is that campaigns are financed by people, and when they are financed by all the people—not just a small percentage—they will create much better government and will do the one thing that most needs to be done at this time, and that is to begin to restore public confidence in the system. Either all of America decides who runs for office, or only a few people. It's as simple as that.

And if we cannot pass this at the Federal level, let's at least give the States the chance to do it, as Senator WELLSTONE is proposing. The fact is, the States have been leading the way when it comes to public financing.

My home State is now considering such a proposal. If candidates can agree to spending limits, and choose public financing over special interest money, we should not stand in the way of allowing a state to pursue an avenue of reform that we are reluctant to take here in Washington.

Public financing is the true, comprehensive way to reform. While I would prefer to enact public financing at the federal level, I nevertheless support my colleague's effort to restore faith in our electoral process by giving States the go ahead.

Madam President, I don't understand what my friend from Kentucky gets so worried about. I know he disagrees with guys like me and the Senator from Massachusetts about public financing of elections, which I think is the only way we ever clean this up.

This is a simple yet important amendment. All we are saying is, if your State decides it wants to put in a financing system and if both candidates running for office or three candidates running for that office agree to abide by it, then what is the big deal? I find it so fascinating that by and large my Republican friends talk about States rights so much. They are such great champions of States rights. They would love the Environmental Protection Agency to be subservient to the States. They think the 11th amendment means something the Supreme Court, unfortunately, has decided it means. The States are the repository of wisdom to my friends on the other side of the aisle, by and large.

We are not going to even allow the States, if they choose, to set up a financing system for elections if all the candidates voluntarily agree. If they don't voluntarily agree, they can't do it constitutionally, in my view. Here we are with even this modest attempt.

What we are afraid of on this floor is the public one day waking up and saying: Hey, the emperor has no clothes; this has been a big sham. Gosh, look at this, I didn't realize this.

All they know now is generically they don't like the way we do business. All they know now is generically there is too much money involved in politics. In their home States, if they like the idea of too much money continuing to be involved in politics, so be it; they can decide that. But if they decide that there is a way to get the big money out and a way to make sure every single voter in the State has the same say as any wealthy person, then they might do this.

This is so modest, it is almost embarrassing to have to argue for its passage. It is the single most insightful way to understand why what we are doing doesn't mean much.

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

The Senator from New Jersey.

Mr. CORZINE. Madam President, I rise today in strong support of the Wellstone-Cantwell States' Rights amendment. I am proud to be a cosponsor of this amendment which will allow States to attempt innovative approaches to campaign finance reform on their own initiative.

The McCain-Feingold reform bill goes a long way towards reforming the campaign system. This amendment allows States to go even further. It would allow States to use money from their own treasuries, to ensure that campaigns are funded with clean money. Money that is free from the taint of special interest.

As you well know, States have historically acted as engines of reform. Some States, including New Jersey, have adopted strong public financing systems allowing candidates a level playing field when seeking statewide office. However, when it comes to campaigns for Federal office, these States hands are tied. According to the Federal Election Campaign Act, Federal candidates are not allowed to take part in those financing systems.

This amendment is remarkably simple. It allows States to extend to Federal candidates public funding solutions already available to candidates seeking State office.

The fundamental reason McCain-Feingold is important is that it holds the promise to reduce the amount of dirty money in the campaign process, to reduce any appearance of impropriety on the part of representatives elected to do the people's work. Some States have already realized that public financing is the necessary next step in the equation, that public money is clean money. However, states find themselves restrained in enacting a solution.

This amendment will not cost the U.S. Government a penny. It does not mandate public financing in any way. In fact, the United States already provides public support for candidates seeking the presidency. And this amendment does not propose to extend the same financing to all Federal candidates. Rather it allows States the freedom to offer public financing and a more level playing field for candidates seeking Federal office. Do we allow States the freedom to determine the

format of their own campaign finance systems? Or do we allow reform to end with McCain-Feingold, to end with the Congress?

New Jersey has an excellent public financing system for gubernatorial candidates. Allowing the State to extend this system to include Federal candidates holds a great deal of promise. In New Jersey, candidates seeking public financing agree to a funding cap that keeps pace with inflation. Then, for every dollar raised by the candidate, the State matches him with two. When all is said and done, the candidate has to do one-third of the fundraising. Imagine all the additional time you could spend engaging with voters about the issues that affect their lives as opposed to overburdened with fundraising responsibilities. Politicians can spend less time on the fundraising circuit and more time on the campaign trail. The Democratic candidate for governor, Mayor James McGreevey, stopped fundraising for the June primary in January.

This amendment will allow States like New Jersey to pick up where McCain-Feingold leaves off. It allows State governments to create a truly level playing field in the States and serve as examples to the Nation of realistic and forward-looking approaches to campaign finance reform. I strongly urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Madam President, about the only thing more unpopular than taxpayer funding of elections would be a congressional pay raise. The American people hate, detest, and despise the notion that their tax dollars would be used to fund political campaigns. We have the biggest survey in the history of America on this very subject taken every April 15 when Americans have an opportunity on their income tax returns to check off $3 of taxes they already owe to divert into the Presidential election campaign fund.

This is not an add-on to their tax burden. This is $3 in taxes they already owe. They have an option to divert that away from children's nutrition programs, or the national defense, or whatever might be considered worthwhile, into a fund that has been maintained since 1976, to pay for the campaigns for President of the United States and to buy buttons and balloons for the national conventions.

So we have this massive survey every April 15 in which Americans get to vote on this very issue. The high water mark of American participation in the Presidential checkoff was 28.7 percent. That was in 1980—about 20 years ago. At that time, the high water mark, 28.7 percent, of Americans were willing to divert $1 of the taxes they already owed into this fund. It has been consistently tracking down over the years to a point where about 10 years ago the Congress changed the dollar checkoff to $3, so fewer and fewer people could divert greater and greater amounts of money to try to make up for the shortfall that was occurring because of lack of participation, lack of interest, and opposition to the Presidential publicly funded elections.

In the 2000 campaign just completed, the 2000 Presidential primary, candidates were only able to receive a percentage of the matching funds they were due that year, even with three of the Republican candidates—Governor Bush, Steve Forbes, and Senator HATCH—not accepting taxpayer funds. So they have had a problem, even with the $3 checkoff, dealing with keeping this fund adequately up to snuff.

Now the other thing worthy of notice is, even if a State were to set up taxpayer funding of the election system, they could not constitutionally deny this money to fringe and crackpot candidates. It is worth noting that over the history of the taxpayer-funded system for Presidential elections that began a quarter century ago, taxpayers ponied up more than $1 billion overall, and $40 million of it has gone to candidates such as Lyndon LaRouche and Lenora Fulani. Larouche got taxpayer money while he was still in jail.

It is important for my colleagues to understand that even if a State, with concurrence of the candidates for Congress, decided to set up a taxpayer-funded scheme for the election for the Senate in that particular State, there would be no way, constitutionally, to restrict those funds to just the candidates of the Republican Party and the Democratic Party. So you would have an opportunity all across America to replicate the system we have had in the Presidential system, where fringe and crackpot candidates get money from the Treasury to pay for their campaigns for office.

I think this is really an issue that greatly separates many Senators philosophically, as to whether or not reaching into the Treasury—whether the Federal or State treasury—and providing subsidies for political candidates is a good idea. We used to call it food stamps for politicians. In the early nineties, it was called vouchers. Candidates were going to get taxpayer-paid vouchers for campaigns—food stamps for politicians, for goodness' sake. Can you imagine how the American people would feel about such an absurd idea?

So I certainly hope the Senate will not go on record as giving to the States the option to squander tax dollars in such an absurd way. I have some optimism about the bill we are currently debating, the McCain-Feingold bill, and I am authorized by Senator MCCAIN to indicate that he intends to oppose this amendment. He doesn't think it would add to the underlying bill and go in the direction he would like.

So this is one of those rare occasions upon which Senator McCain and I will agree on an amendment, and we hope the overwhelming majority of the Senate will agree that authorizing the use of tax dollars for political campaigns is a uniquely bad idea—and already tried. We have had a 25-year experiment that has wasted over a billion dollars of taxpayer dollars and funded fringe candidates, including those in jail, and to replicate that in any of our States, it seems to me, is a very bad idea.

I hope Members of the Senate will oppose this amendment which will be voted upon shortly.

Are there any other Members who wish to speak?

Mr. WELLSTONE. Madam President, do we have any time left?

The PRESIDING OFFICER. The Senator has consumed all of his time.

Mr. WELLSTONE. All right.

The PRESIDING OFFICER. There are 2½ minutes before the vote.

Mr. MCCONNELL. I am prepared to yield back the remainder of my time. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment of the Senator from Minnesota.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 36, nays 64, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—36

Akaka	Dodd	Mikulski
Bayh	Durbin	Murray
Biden	Edwards	Nelson (FL)
Bingaman	Graham	Nelson (NE)
Boxer	Harkin	Reed
Cantwell	Hollings	Reid
Carper	Inouye	Rockefeller
Cleland	Johnson	Sarbanes
Clinton	Kennedy	Stabenow
Corzine	Kerry	Torricelli
Daschle	Levin	Wellstone
Dayton	Lieberman	Wyden

NAYS—64

Allard	Enzi	McCain
Allen	Feingold	McConnell
Baucus	Feinstein	Miller
Bennett	Fitzgerald	Murkowski
Bond	Frist	Nickles
Breaux	Gramm	Roberts
Brownback	Grassley	Santorum
Bunning	Gregg	Schumer
Burns	Hagel	Sessions
Byrd	Hatch	Shelby
Campbell	Helms	Smith (NH)
Carnahan	Hutchinson	Smith (OR)
Chafee	Hutchison	Snowe
Cochran	Inhofe	Specter
Collins	Jeffords	Stevens
Conrad	Kohl	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Thurmond
DeWine	Leahy	Voinovich
Domenici	Lincoln	Warner
Dorgan	Lott	
Ensign	Lugar	

The amendment (No. 125) was rejected.

The PRESIDING OFFICER. The Senator from Kentucky.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 134

Mr. MCCONNELL. The next amendment is now the Hatch amendment, and I see the Senator from Utah is on the floor. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 134.

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

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

The amendment is as follows:

(Purpose: To strike section 304 and add a provision to require disclosure to and consent by shareholders and members regarding use of funds for political activities)

Beginning on page 35, strike line 8 and all that follows through page 37, line 14, and insert the following:

SEC. 304. DISCLOSURE OF AND CONSENT FOR DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by inserting after section 304 the following:

"SEC. 304A. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

''(a) DISCLOSURE.—Any corporation or labor organization (including a separate segregated fund established and maintained by such entity) that makes a disbursement for political activity or a contribution or expenditure during an election cycle shall submit a written report for such cycle—

''(1) in the case of a corporation, to each of its shareholders; and

''(2) in the case of a labor organization, to each employee within the labor organization's bargaining unit or units;

disclosing the portion of the labor organization's income from dues, fees, and assessments or the corporation's funds that was expended directly or indirectly for political activities, contributions, and expenditures during such election cycle.

''(b) CONSENT.—

''(1) PROHIBITION.—Except with the separate, prior, written, voluntary authorization of a stockholder, in the case of a corporation, or an employee within the labor organization's bargaining unit or units in the case of a labor organization, it shall be unlawful—

''(A) for any corporation described in this section to use funds from its general treasury for the purpose of political activities; or

''(B) for any labor organization described in this section to collect from or assess such employee any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

''(2) EFFECT OF AUTHORIZATION.—An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

''(c) CONTENTS.—

''(1) IN GENERAL.—The report submitted under subsection (a) shall disclose information regarding the dues, fees, and assessments spent at each level of the labor organization and by each international, national, State, and local component or council, and each affiliate of the labor organization and information on funds of a corporation spent by each subsidiary of such corporation showing the amount of dues, fees, and assessments or corporate funds disbursed in the following categories:

''(A) Direct activities, such as cash contributions to candidates and committees of political parties.

''(B) Internal and external communications relating to specific candidates, political causes, and committees of political parties.

''(C) Internal disbursements by the labor organization or corporation to maintain, operate, and solicit contributions for a separate segregated fund.

''(D) Voter registration drives, State and precinct organizing on behalf of candidates and committees of political parties, and get-out-the-vote campaigns.

''(2) IDENTIFY CANDIDATE OR CAUSE.—For each of the categories of information described in a subparagraph of paragraph (1), the report shall identify the candidate for public office on whose behalf disbursements were made or the political cause or purpose for which the disbursements were made.

''(3) CONTRIBUTIONS AND EXPENDITURES.—The report under subsection (a) shall also list all contributions or expenditures made by separated segregated funds established and maintained by each labor organization or corporation.

''(d) TIME TO MAKE REPORTS.—A report required under subsection (a) shall be submitted not later than January 30 of the year beginning after the end of the election cycle that is the subject of the report.

''(e) DEFINITIONS.—In this section:

''(1) ELECTION CYCLE.—The term 'election cycle' means, with respect to an election, the period beginning on the day after the date of the previous general election for Federal office and ending on the date of the next general election for Federal office.

''(2) POLITICAL ACTIVITY.—The term 'political activity' means—

''(A) voter registration activity;

''(B) voter identification or get-out-the-vote activity;

''(C) a public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and

''(D) disbursements for television or radio broadcast time, print advertising, or polling for political activities.''

Mr. HATCH. Madam President, I rise today to say a few words on the task at hand, namely reforming our campaign finance laws and doing it within the contours of the First Amendment of our Constitution. I fully appreciate that the issue of campaign finance is of growing concern to the American electorate and has already played an important role in the recent election. And I commend my colleagues, Senators MCCAIN and FEINGOLD for their bold leadership in an effort to address the public perception that our political system may be corrupt. At this time, I will simply explain the limitations we all face in this endeavor. Limitations imposed by the cherished First Amendment of our constitution. During the course of the coming days, I will more specifically address the underlying legislation, and where in my analysis of the law it falls short of meeting minimal constitutional requirements. There are some bright lines drawn by the Supreme Court on this issue and I will get to that.

The Founders of our country certainly understood the link between free elections and liberty. Representative government—with the consent of the people registered in periodic elections—was—to these prescient leaders of the new nation—the primary protection of natural or fundamental rights. As Thomas Jefferson put it in the Declaration of Independence, to secure rights ''Governments are instituted among Men'' and must derive ''their just Powers from the Consent of the Governed.''

That freedom of speech and press was considered by Madison to be vital in assuring that the electorate receives accurate information about political candidates was demonstrated by his vehement arguments against the Alien and Sedition Acts in 1800. The Sedition Act, of course, in effect, made it a crime to criticize government or government officials. Its passage was a black mark on our history.

Although the exact meaning or parameters of the First Amendment are not clear, a thorough reading of Supreme Court jurisprudence provides constructive guides for us in Congress.

Political speech is necessarily intertwined with electoral speech, particularly the right of the people in election cycles to criticize or support their government. Indeed, the form of government established by the Constitution is uniquely intertwined with freedom of speech. The very structure of the Constitution itself establishes a representative democracy, which many observers, including myself, find to be a form of government that would be meaningless without freedom to discuss government and its policies.

To get to the heart of the matter being discussed today, I want to turn to the seminal Supreme Court case of Buckley v. Valeo.

In short, Buckley and its progeny stand for the following propositions: (1) money is speech; that is, electoral contributions and expenditures are entitled to First Amendment protection; (2) contributions are entitled to less protection than expenditures because they create the appearance of corruption or quid pro quos; (3) express advocacy is entitled to less deference than issue advocacy; (4) corporate donations and corporate express advocacy expenditures may be restricted; (5) political party independent expenditures may not be restricted at least if not connected to a campaign; and (6) restrictions on soft money are probably unconstitutional because soft money does not create the same problem of corruption from quid pro quos that contributions bring. I will explain these further.

To understand why certain recent campaign finance reform measures, such as the well-intentioned McCain-Feingold bill, infringe on free speech

and free elections, it is necessary to survey the Supreme Court's decisions on campaign finance reform and the problems it brings to free speech. The granddaddy of these cases is *Buckley* v. *Valeo*, 424 U.S. 1 (1976). Buckley established the free speech paradigm in which to weigh the competing campaign reform proposals.

As my colleagues know well, two decades ago, in the wake of the Watergate scandal, Congress passed the Federal Election Campaign Act, or FECA. The Act imposed a comprehensive scheme of limitations on the amount of money that can be given and spent in political campaigns. FECA capped contributions made to candidates and their campaigns, as well as expenditures made to effect public issues, including those that arise in a campaign. The Act also required public disclosure of money raised and spent in federal elections.

The Supreme Court in Buckley upheld against a First Amendment challenge the limitation on contributions but not the limitations on expenditures. The Court reasoned that contributions implicated only limited free speech interests because contributions merely facilitated the speech of others, i.e., candidates. Crucial to the Court's analysis was its belief that limiting contributions was a legitimate governmental interest in preventing ''corruption'' or the ''appearance of corruption'' because such limitations would help prevent any single donor from gaining a disproportionate influence with the elected official—the so-called ''quid pro quo'' effect. A similar interest justified mandatory public disclosure of political contributions above minimal amounts.

But Buckley reasoned that expenditures of money by the candidate or others outside the campaign did not implicate the same governmental interests because expenditures relate directly to free speech and are less likely to exert a quid pro quo. Therefore, to the Court, limitations on expenditures could not be justified on any anti-corruption rationale. Nor could they be justified by a theory—popular in radical circles—that limitations on expenditures, particularly on the wealthy or powerful, equalize relative speaking power and ensure that the voices of the masses will be heard.

The Court viewed such governmental attempts at balance as an abomination to free speech and held that this justification for restraints on expenditures was ''wholly foreign to the First Amendment.'' It seems to me that such ''balance'' is, in reality, a form of suppression of certain viewpoints, a position that flies in the face of Justice Holmes' notion that the First Amendment prohibits suppression of ideas because truth can only be determined in the ''marketplace'' of competing ideas.

Significantly, the Supreme Court in Buckley held that any campaign finance limitations apply only to ''communications that in express terms advocate the election or defeat of a clearly identified candidate for federal office.'' As we have heard before, a footnote to the opinion elaborated on what has later been termed ''express advocacy.'' To the Court, communications that fall under FECA's purview must contain ''magic words'' like ''vote for'' or ''elect'' or ''support'' or ''Smith for Congress'' or ''vote against'' or ''defeat'' or ''reject.'' Communications without these electoral advocacy terms have subsequently almost always been classified by courts as ''issue advocacy'' entitled to full First Amendment strict scrutiny protection.

One important underpinning of the Buckley Court's view of the relationship between the freedom of speech and elections is that money equates with speech. The Court in a fit of pragmatism recognized that effective speech requires money in the market place to compete.

But beyond looking at the purpose of campaign finance laws, it is clear that restrictions on political spending have the result of limiting the amount and effectiveness of speech. Let me borrow Professor Sullivan's example of a law restricting the retail price of a book to no more than twenty dollars. To Justice Steven such a law is about money and not about a particular book. But does not such a law limit the amount and effectiveness of speech because it creates a disincentive to write and publish such books. The Supreme Court has, as Professor Sullivan pointed out, repeatedly held that financial disincentives to specific content-based speech, just as much as direct prohibitions on such speech, trigger strict First Amendment review.

And I must emphasize that restrictions on campaign contributions and expenditures cannot be justified as content neutral regulation. The Buckley Court rejected the example given by defenders of the regulations at hand that spending and contribution limits are similar to limiting the decibel level on a sound truck and do not stop the truck from broadcasting. The Court rejected that analogy because, to the Court, decibel limits aim at protecting the eardrums of the closest listener, not at preventing the sound truck from reaching a larger audience. To the Court, unlike decibel limits, limits on campaign expenditures and contributions do restrict the communicative effectiveness of speech. The Court was right.

Buckley's other key underpinning is its ''strict scrutiny'' justification of the restrictions on direct contributions to campaigns as needed to combat ''corruption'' and the ''appearance of corruption''—in other words ''quid pro quo'' exchanges. This has been criticized by the congressional reformers not as over-inclusive, but ironically as under-inclusive. I believe the underlying bill goes much further than Buckley.

If Buckley v. Valeo established the skeleton of First Amendment protection of the electoral process from onerous regulation, Buckley's progeny filled in the flesh. Let me mention a few of the main cases.

In First National Bank v. Bellotti, decided in 1978, the Supreme Court reaffirmed its view in Buckley that expenditures for issues are directly related to expression of political ideas and are, thus, on a higher plane of constitutional values requiring the strictest of scrutiny. Bellotti found a Massachusetts law that prohibited ''corporations from making contributions or expenditures for the purpose of . . . influencing or affecting the vote on any question submitted to the voters'' unconstitutional because it infringed both (1) the First Amendment right of the corporations to engage in issue advocacy and, (2) the First Amendment right of citizens to ''public access to discussion, debate, and the dissemination of information and ideas.''

Bellotti did not involve restrictions on corporate donations to candidates. The Court distinguished between portions of the law ''prohibiting or limiting corporate contributions to political candidates or committees, or other means of influencing candidate elections''—which were not challenged—and provisions ''prohibiting contributions and expenditures for the purpose of influencing . . . questions submitted to voters,'' i.e., issue advocacy. The Court explained that the concern that justified the former ''was the problem of corruption of elected representatives through creation of political debts'' and that the latter ''presents no comparable problem'' because it involved contributions and expenditures that would be used for issue advocacy rather than communication that expressly advocate the election or defeat of a candidate.

In Citizens Against Rent Control/Coalition for Fair Housing v. Berkeley, the Court once again gave full panoply of protection to expenditures linked to communication of ideas. In this case the Court invalidated a city ordinance that limited to $250 contributions to committees formed solely to support or oppose ballot measures submitted to popular vote. The Court held that it is an impairment of freedom of expression to place limits on contributions which in turn directly limit expenditures used to communicate political ideas, without a showing of the ''corruption'' element laid out in Buckley.

In Federal Election Commission v. National Conservative Political Action Committee, the Court once again relied on Buckley's distinction between expenditures and contributions, with the former receiving full first amendment protection. The Court invalidated a section of the Presidential Election Campaign Fund Act which made it a criminal offense for an independent political committee or PAC to spend more than $1000 to further the election of a Presidential candidate who elects to receive public funding. The Court

held that the PAC's independent expenditures were constitutionally protected because they ''produce speech at the core of the first amendment.''

One year later, in Federal Election Commission v. Massachusetts Citizens for Life, Inc., decided in 1986, the Supreme Court clarified the distinction between issue and express advocacy, holding that an expenditure must constitute express advocacy in order to be subject to FECA's prohibition against the use of corporate treasury funds to make an expenditure ''in connection with'' any Federal election. In this case, the Court held that a publication urging voters to vote for ''pro-life'' candidates, that the publication identified, fell into the category of express advocacy. But the Court refused to apply FECA's prohibition in this case to MCFL—Massachusetts Citizens for Life, Inc.—because the organization was not a business organization. The Court noted that ''[g]roups such as MCFL . . . do not pose . . . danger of corruption. MCFL was formed to disseminate political ideas, not to amass capital.''

Just 5 years ago, the Supreme Court, in Colorado Republican Federal Campaign Committee v. FEC addressed the issue of whether party ''hard money'' used to purchase an advertising campaign attacking the other party's likely candidate, but uncoordinated with its own party's nominee's campaign, fell within FECA's restrictions on party expenditures. A fractured Court agreed that applying FECA's restriction to the expenditures in question violated the first amendment.

A plurality of the Court—Justices Breyer, O'Connor, and Souter—based their holding on the theory that the expenditure at hand had to be treated as an independent expenditure entitled to first amendment protection, not as a ''coordinated'' expenditure or express advocacy, which may be restricted. It is significant to note that Justice Thomas, joined by Chief Justice Rehnquist and Justice Scalia, concurred in the judgment, but would abolish Buckley's distinction between protected expenditures and unprotected contributions, believing that both implicated core expression central to the first amendment.

As a plurality of the Court noted, because any soft money used to fund a Federal campaign must comport with the contribution limits already in place, soft money does not result in the actuality or the appearance of quid pro quo ''corruption'' warranting intrusions on core free speech protected by the first amendment. In any event, it is my view that such soft money activities such as voter registration drives, voter identification, and get-out-the-vote drives, as well as communication with voters that do not fall within express advocacy, are protected by the first amendment's freedom of association—the right to freely associate with a party, union, or association—as well as by free speech.

Finally, there is the very recent case of Nixon, just last year. I remember that when this case was decided, proponents of so-called campaign finance reform gloated that this case supported their positions. In my view, all the case did was extend Buckley's restrictions on contributions to State campaign finance laws. The Court rejected a challenge to Missouri's contribution restriction as too limited because it did not take into account inflation. The Court held that Buckley demonstrated the dangers of corruption stemming from contributions and that there was sufficient evidence in the record to support the conclusion that Missouri's campaign contribution limit addressed the appearance of corruption. The case did not address the issues of independent expenditures, issue advocacy, or soft money expenditures.

As I noted at the outset, Buckley and its progeny stand for the following propositions: No. 1, money is speech; that is, electoral contributions and expenditures are entitled to first amendment protection; No. 2, contributions are entitled to less protection than expenditures because they create the appearance of corruption or quid pro quos; No. 3, express advocacy is entitled to less deference than issue advocacy; No. 4, corporate donations and corporate express advocacy expenditures may be restricted; No. 5, political party independent expenditures may not be restricted at least if not connected to a campaign; and, No. 6, restrictions on soft money are probably unconstitutional because soft money does not create the same problem of corruption from quid pro quos that contributions bring.

I am concerned that the practical result of the limitation on contributions is that candidates must seek contributions from a larger set of donors. This means that candidates are spending a greater amount of time raising money than would otherwise be the case. This is aggravated by the need for a lot of money in general to compete in American elections, given our large electoral districts, statewide elections, and weak political parties, which require candidates to fund direct communications to the electorate. The rising costs of elections are further aggravated by the rising importance of expensive televison advertising and the use of political consultants, with their reliance on polling and focus groups. Elections have become a money chase.

Ironically, this is the major complaint of the reformers. Their initial FECA reforms have caused the problems they are now complaining about. First, PAC money, and now soft money, are the result of limitations on contributions. Let's not kid ourselves. Like pressurized gas, money will always find a crevice of escape. In other words, money will always find a loophole. All that the FECA and courts have accomplished is to encourage the substitution of contributions to candidates for contributions and expenditures made to and by organizations such as political parties or advocacy groups. These organizations are less accountable to the voter. The net result is the growth of yet another huge government bureaucracy to police an inherently unworkable scheme.

Furthermore, if one believes, as I do, the efficacy of Justice Holmes' free speech model of a ''marketplace of competing ideas,'' it is impermissible to drown out or even ban corporate speech or the speech of the wealthy, as some advocate. If the remedy for ''bad'' speech is not censorship, but ''more'' speech, then the remedy for corporate speech is likewise not censorship, but more noncorporate speech.

It should be obvious that in the electoral sphere the wealthy and powerful have no monopoly over speech. This is not analogous to Turner Broadcasting System, Inc. v. FCC, where the Court in part upheld the congressional requirement that cable operators carry a certain percentage of local broadcasting of local programs on their lines because cables' monopoly power choked the broadcast competitors. Unlike the open access rule in that case, limitations on contributions offer no guarantee that the market power of speech will be redistributed from the wealthy to the poor. Such spending limits will not stop wealthy candidates like Ross Perot from spending personal wealth or the rich from influencing mass media through direct ownership or through the purchase of advertisements. Surely, no one would advocate that we attach an income test to the first amendment.

The wealthy will always have substitutes for electoral speech. Moreover, the success of the labor unions and voluntary associations as competitors in the market place of ideas demonstrate that limitations on contributions from the wealthy and on corporate speech are unnecessary.

In my view, a far better, though, admittedly not perfect, solution—one that I believe is both workable and is consistent with the dictates of the first amendment—is a campaign system that requires complete disclosure of funds contributed to candidates or used to finance express advocacy by independent associations, political parties, corporations, unions, or individual in connection with an election.

A system of complete disclosure would bring the disinfectant of sunshine to the system. The Democrats will audit the Republicans and the Republicans will scrutinize the Democrats. And outside public interest groups and the media will police both. The winner will be the public. They will be able to make their own assessments. As I have said before, one man's greedy special interest is another man's organization fighting for truth and justice.

To the extent that our campaign finance laws require updating, we need to find a constitutionally sound manner of doing so. We need to proceed

with care and caution when acting on legislation that would have the impact of regulating freedom or of placing government at the center of determining what is acceptable election speech and what is not. And, we need to pass legislation that, above all, keeps the power of American elections where it rightfully belongs—in the hands of the voters themselves.

Let me again commend my friends, Senators MCCAIN and FEINGOLD, for their leadership on this issue. Without their efforts and tenacity and pushing this issue, we probably would not be discussing this important matter. They deserve a lot of credit. Even though I disagree and have done so very publicly, I still have a lot of respect for my two colleagues.

It is important to publicly air these issues, especially given the unfortunate perception of the problems in Washington.

We can achieve needed reform here. Such reform lies in expanded disclosures. With free and open disclosure of contributions, the public will be fully able to decide for itself what is legitimate. I look forward to helping my colleagues in achieving reforms that will be constitutional and effective.

Today, I rise to introduce an amendment as a substitute to section 304 of the McCain/Feingold campaign finance reform bill of 2001.

Thomas Jefferson, in 1779, wrote that ''to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical.'' That was true then, and it remains true today.

As I will discuss later, section 304 of the McCain-Feingold bill that purports to be a ''Beck'' fix is wholly inadequate. Thus, I rise today to protect the rights of working men and women in this country to be able to decide for themselves which political causes they wish to support.

Some will choose to make this a complicated issue by arguing the intricacies of the Supreme Court Case, Communications Workers of America v. Beck, but it is really quite straight forward—it's about fairness. In certain states, as a condition of employment, there are requirements to join or pay dues to a labor organization. Let me make clear at the outset that I am a strong supporter of collective bargaining when employees voluntarily choose to be represented by a labor organization.

But I seriously doubt that even one of my colleagues would suggest that the Government should force any American to speak in favor of causes in which he or she does not believe. Yet, we as Members of the U.S. Senate, currently stand by and allow our friends and constituents to be forced into speech because of their compulsory financial relationship with a union.

I would like to know which of my colleagues would support any provision of law that would mandate an individual's financial involvement in a practice that was fundamentally at variance with their own beliefs. I dare say that there would not be many Members from either side of the aisle who would advocate the arbitrary usurpation of fundamental freedoms like that of speech. But this is exactly what happens to our union members and dues paying non-members.

Individuals who belong to or are represented by labor unions financially commit themselves to causes and candidates that may be completely against their own. We force individuals to subvert their rights of political expression to those of the unions.

My amendment is quite simple and straightforward. It has two parts: Part one requires a labor organization to obtain ''separate, prior, written, voluntary authorization'' before assessing ''any dues initiation fee, or other payment if any part of such dues, fee, or other payment will be used for political activities''. Part two requires that a labor organization disclose to its membership how it has allocated and spent the portion of a members or nonmembers dues and fees that went to political activity.

Nothing can be more fair than to inform working men and women which causes they are supporting. It is just that simple.

Let me also point out to my colleagues that this amendment also covers individuals who are shareholders in a corporation. It requires that a corporation gain prior consent from its shareholders before spending resources from the corporation's general treasury on political activity. It also requires that a corporation disclose to its shareholders which political activity it contributes to. This amendment places corporations and labor organizations on equal ground and levels the playing field.

I feel that it is important to note that there is a fundamental difference between the compulsory way that a labor organization assesses its dues and fees from members and nonmembers and the completely voluntary manner a shareholder opts into purchasing stock. But in past debates, my colleagues from the other side of the aisle have cried foul and claimed that treating labor and corporations differently wasn't fair. Well we now have an amendment that takes care of that particular concern.

It is simply imperative and pretty basic that union should obtain consent to use the funds they receive prior to any use other than for collective bargaining, contract administration, or grievance adjustment. After all, if consent is to mean anything, then it must be received before the money is spent. After the fact is simply too late and means no consent was given for the ''activity.'' Let me state it again because I think this fact is vital to creating a fair and meaningful fix to this problem—effective consent must be given before the funds are used.

My amendment is a commonsense solution to an important problem pertinent to the lives of many Americans. The solution—consent before spending.

I said that real consent is prior consent. Let me give you an example. The Electronic Signatures in Global and National Commerce Act of 1999—better known as the Digital Signature Act—legalized digital electronic contracts. The act allows an individual to enter into a binding contract without ever having to leave the comfort of his home through the use of a so-called digital signature.

When the Digital Signature Act was first introduced, many of my Democratic colleagues had serious reservations about it. They argued that the bill lacked basic, but extremely important, consumer protection provisions. They argued that the bill must include effective consumer consent provisions. Critics of the bill worried that an unsuspecting consumer might receive an unsolicited e-mail with the inclusion of an electronic signature therefore making the contract legally enforceable. To prevent this sort of unwanted solicitation of business, many of my Democratic colleagues advocated that a consumer must first consent to receive the contract electronically.

My amendment seeks to extend similar rights to workers that the Digital Signature Act granted consumers. We should allow workers the same fundamental rights that my Democratic colleagues demanded be granted to individuals who enter in a contact over the Internet.

We must allow America's working men and women these very fundamental rights. American workers should have the right to have meaningful and informed consent over the expenditure of their dues, fees, or payment made to their union. Without these rights we are in essence creating different classes of society—those who are free to determine which political groups they will support and those who are not.

I hope that my colleagues will agree with me that the standards for meaningful and informed consent we extended to consumers under the Digital Signature Act must also be provided to workers and shareholders. We must allow workers to consent to the use of their union dues on any expenditures other than collective bargaining, contract administration, or grievance. This consent must be provided in a manner that verifies the workers or shareholder's capacity to access clear and conspicuous information of their rights, receive regular disclosures of these expenditures, and maintain the right to revoke their consent at any time.

Let me pause to ask a couple of questions. If your friend wants to borrow your car, shouldn't he ask beforehand? If he doesn't, then it's a crime. Wouldn't it be odd to have a system in place that requires you to lend the car and then file a form for its return? Why

should the unions be allowed to take from the people who pay dues without getting their consent first? By adopting this amendment, we can help all Americans. It is fairer and more equitable to obtain consent before the dues are spent. That is the right way of doing things.

Unions have the right, like any other organization, to spend the dues and fees it collects for purposes such as campaigns, issue ads, and a host of additional political and other activities. I support their right. What is disconcerting about the current situation is that many employees who are effectively forced to pay dues and fees may disagree with the positions taken and not wish to support them.

Now some have suggested that section 304 takes care of the so called Beck problems and codifies Beck.

Unfortunately, the proposed section 304 of the McCain-Feingold bill does not require prior consent. Nor does it codify the Beck decision, as it purports to do. Section 304 is far narrower than the holding in Beck. The Supreme Court clearly held in Beck that any expenditures outside of collective bargaining, contract administration, or grievance adjustment must be returned to the non-union employee upon request of the objecting employee. However, section 304 only prohibits unions from using non-union employee dues for ''political activities unrelated to collective bargaining''—an ambiguous phrase that is not defined in that section.

Because section 304 is so narrowly drafted, it would allow unions to use non-union dues for soft money non-collective bargaining expenditures, such as get-out-the-vote campaigns and other political activities, by simply avoiding the label ''political.'' By masquerading the activity as one for ''educational purposes,'' a union could use dues for blatantly political activities such as informing union members on what pro-union stand political candidates take.

Again, I recognize the unions' right to engage in any political activity that they find appropriate. The more political speech the better as far as I'm concerned. But, we need to protect the fundamental right of the workers to know that activities and what type of issues their money is being used for, and the ability for them to decide if they wish to support the activity.

Mr. President, the American worker faces a hidden tax at just the moment the worker cannot afford it. And the American worker has less say in where his money goes to than just about any group. In fact, an argument can be made that section 304 of the McCain-Feingold bill actually does the exact opposite of what its intentions are.

Under current law, dues paying non members may object to the use of portion of their dues that is spent for purposes other than or non-essential to collective bargaining. If the McCain-Feingold bill were to pass, those same dues-paying-non-members would only be permitted to object to use of the portion of their dues spent only for ''political purposes unrelated to collective bargaining.'' This difference might sound subtle but is anything but.

Mr. President, my amendment is a modest measure of fundamental fairness. It embodies a very simple concept—fairness. American's men and women work hard every day. They have earned the right to know how their money is being spent for certain political purposes, causes, and activities. The disclosure and second part of this amendment does nothing more than require a report by labor organizations to be filed with the Federal Election Commission and given to workers represented by unions, showing how much of their union dues and fees are being spent on the political process.

I have to say that this amendment does not impose overly burdensome or onerous requirements on the unions. This is basic information, and it should be freely provided. I cannot believe that the union leadership have a legitimate interest in keeping secret what political causes and activities employee dues and fees are being spent to support. If employees learn how their money is being spent in the political process, unions will enjoy an even greater confidence level in their decision making.

With the addition of this amendment to the McCain-Feingold bill we will ensure that every American is treated equally under the law and extended the rights and freedoms that are fundamental under the Constitution. I urge my colleagues to thoughtfully consider this amendment and vote for its passage.

I reserve the remainder of any time I may have remaining.

The PRESIDING OFFICER (Mr. CRAPO). Who yields time?

Mr. DODD. I yield 10 minutes to the distinguished Senator from North Carolina, Mr. EDWARDS.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EDWARDS. Mr. President, I rise today to voice my strong support for the McCain-Feingold bill, to add my encouragement and praise for all the hard work done by Senators MCCAIN and FEINGOLD, and to say how important this issue is to our democracy, to our Government, and to the American people.

I would not presume to suggest to my colleagues who serve with me in the Senate that I have any more knowledge about the way the political financing system in this country works than they do. They are all experts at it. What I say is that this debate is not about us. Instead, it is about the people we were sent here to represent.

I have heard, both in the media and in the course of the debate, lots of discussion about some strategic advantage that may flow to one party, or one Senator or another, as a result of this bill. What I say about that argument is that thirty years from now, the American people will not judge what we do in these 2 weeks based upon some transitory, strategic advantage that one party or another may gain as a result of the McCain-Feingold bill. Instead, they are going to judge us based on what we did for our Government, for our democracy, and what we did to allow voters, ordinary Americans, to once again believe they have some ownership in this democracy. That ultimately is what it is all about.

I say to colleagues, both Democrats and Republicans, that whatever in the long term is good for our democracy is good for either the Democratic or the Republican Party. I think that is the test we should use in making judgments about what ought to be done.

During the course of my time in the Senate, I have held many townhall meetings around North Carolina, and over and over I hear the same refrain—folks believe that they no longer have a voice in their own democracy and, as a result, they don't feel any ownership in this Government. So Washington is some faraway place, and they don't think they do anything to help them. They think it is just some bureaucratic institution that has nothing to do with their day-to-day lives. More important, they feel impotent to do anything about it.

The folks I grew up with in smalltown North Carolina, oddly enough, think if somebody writes a $300,000 or $500,000 check to a political party, or for a particular election, when they go to the polls and vote, their voices will not be equally heard. I think that is just good common sense, and there is a reason people think that way. This is an issue we need to do something about. A lot of it is perception but perception matters. It really matters when people believe this isn't their Government. It is their democracy; it belongs to them, not to some special interest group, and not to the people who are up here representing them. In fact, it belongs to the American people.

A couple of examples, Mr. President: We are in the process right now of trying to pass an HMO reform bill. Senator MCCAIN, Senator KENNEDY, and I, and Congressmen NORWOOD, DINGELL, and GANSKE on the House side have introduced the same bill. Our legislation, which provides basic patient protection rights to every single American who is covered by insurance or HMOs, is supported by every health insurance group that has been fighting for patient protection for the last 5 years. The only people we have been able to identify on the other side are the big HMOs and insurance companies.

Unfortunately, the big HMOs and insurance companies are very well represented in Washington, and their voice is heard loudly and clearly. It is really important for the voice of the American people to be heard on issues such as basic patient rights. Then I read in the newspaper today that at

least it appears there is going to be some pulling back of the regulation of arsenic in drinking water. These are the kinds of things that, when folks around the country see them, cause them concern, and they particularly cause concern—even though they may not see a direct relationship—they particularly cause them to be worried when they know the way political campaigns are financed in this country, and they know that lots of huge, unregulated soft money contributions are being made to political campaigns in every election cycle.

So the question is, What do we do to return power in this democracy to where it started and made our country so great and where it belongs today?

We are trying to do two basic things in this bill. One is to ban soft money—we talked about it at length—these unregulated, totally uncontrolled contributions made by special interests, corporations, many different groups, and individuals.

The simple answer is, it ought to be banned, and it ought to be banned today. We will talk at length later about constitutional issues, but it is black and white to anyone who has read Buckley v. Valeo and specifically applies the analysis of that case to a soft money ban. There is absolutely no question that a ban on soft money is constitutional under Buckley v. Valeo. We will talk about that at length at a later time.

The second issue is these bogus sham issue ads. In addition to the fact folks see all this money flowing into the system, they feel cynical, they feel they do not own their Government anymore, and that they have no voice in democracy.

In addition to that, they turn on their televisions in the last 2 months before an election and see mostly hateful, negative, personal attack ads posing as issue ads. Any normal American with any common sense knows these are pure campaign ads. Those are the ads we are trying to stop.

Senator SNOWE actually said it very well when she said these ads are a masquerade. In fact, they are more than a masquerade, they are a sham, they are a fraud on the American people, and they are nothing but a means to avoid the legitimate election laws of this country.

We are trying to put an end to these so-called issue ads that are nothing but campaign ads. It is another issue that needs to be addressed. All this—these issue ads that are nothing but sham ads, really campaign ads, unregulated flow of soft money into campaigns—all this is about a very simple thing. It is not about us. It is not about the people in Washington. It is not about the people in this Congress. It is about the people we were sent to represent. We need to be able to say 20, 30 years from now when we are not around anymore—at least some of us will not be around anymore—we need to be able to say to our children and our families that we did the right thing; we did what was best for the country, and we did what was best for the democracy.

We will talk about this issue later, but it is also clear that Snowe-Jeffords, under the constitutional test established in Buckley v. Valeo, is constitutional. There are only two requirements that have to be met: One, that there be compelling State interest under Buckley. The Court has already held that what we are doing in these sham issue ads and with soft money is a compelling State interest because of the need to avoid corruption or, more importantly, in this case, the appearance of corruption.

Second, the legislation has to be narrowly tailored. That has been interpreted by the U.S. Supreme Court to mean it is not too broad, not substantially overbroad. Snowe-Jeffords does exactly that. It is very narrowly tailored. Two months before the general election, it requires the likeness of the candidate or the name of the candidate to be used and only applies to broadcast ads.

The empirical evidence shows very clearly that something around 1 percent of the ads are not covered by that, actually issue ads that fall within that category. Ninety-nine percent of the ads in the last election cycle, in fact, were campaign ads.

What that empirical evidence supports is the notion that not only does it appear that Snowe-Jeffords is narrowly tailored, in fact, the overwhelming evidence is that it is narrowly tailored, which is exactly what the Buckley U.S. Supreme Court decision required. We will talk about this later as we discuss these various provisions.

The bottom line is, both the soft money ban and Snowe-Jeffords are constitutional and meet the constitutional requirements of Buckley v. Valeo.

In conclusion, I thank the Senators who have worked so hard on this issue for so long. I say to my colleagues, I hope that instead of focusing on some strategic advantage that a particular campaign may have, or a particular political party may have, that instead we will focus on what is best for democracy and what is best for the American people.

I thank the Chair.

Mr. DODD. Mr. President, how much time remains on the opponents' side?

The PRESIDING OFFICER. The opponents have 80 minutes.

Mr. DODD. I yield 3 minutes to my good friend from Arizona, the author of the underlying bill.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank Senator HATCH for a valiant attempt at trying to balance this problem about so-called paycheck protection and corporations. Unfortunately, he is not having any more success than we did when we attempted to try to strike that balance as well.

The bill, very briefly, strikes our codification of the Beck provision. It has no regulatory mechanism, and it has no methodology for who would enforce it and how.

It says in his amendment that ''expressly advocate support for opposition to a candidate.'' What does that mean?

It talks about as far as corporations are concerned, ''use funds from its general treasury for the purpose of political activity.'' What is the general treasury? The stock market value? The cash on hand? The money that is being disbursed?

This, unfortunately, is an amendment which clearly cannot adequately define what a stockholder's involvement is. Again, suppose a stockholder said his or her stock money could not be used and then, of course, the stock is split or the stock is sold or there is a reduction in the amount of the budget. Who gets what money? Who regulates it?

Very frankly, I am in sympathy with the Senator from Utah because we tried to address this issue. It is just well nigh impossible and certainly is not addressed in any kind of parity or specificity in this amendment.

Mr. President, I will be moving to table this amendment at the appropriate time. I would like to work with the Senator from Utah to see how we can obtain some kind of parity, although I point out, as I said before, the paycheck protection in this permission or nonpermission really is not what this campaign finance reform is all about because if you ban the soft money; you ban the corporate check; you ban the union check; you ban the union leader from giving a million-dollar check; you ban the corporate leader from giving the check. When you ban soft money, then all they can do is give a $1,000 check for themselves or $1,000 from their friends.

Later on, I am sure there will be some specific questions about the language in this bill. It is nonspecific, it is unenforceable, and it is in such an amorphous state, very frankly, it is meaningless. I believe my time has expired.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. I thank my colleague. I intend to speak about this amendment at some future point in the debate. In the meantime, I recognize my friend and colleague from Massachusetts. How much time does he need? Fifteen minutes?

Mr. KENNEDY. If I can start with 15 minutes.

Mr. DODD. I yield 15 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to ask my friend and colleague from Utah some questions, if he will be good enough to answer some questions.

Since 99.7 percent of American for-profit corporations are privately held, how does this amendment apply to them?

Mr. HATCH. It applies to every corporation.

Mr. KENNEDY. It cannot because you refer to those that have stockholders, page 2. Since 99 percent of the corporations do not have them, then they are not covered.

Mr. HATCH. I do not know a corporation that does not have stockholders, whether they be private or public.

Mr. KENNEDY. I am telling you they do not, so effectively your amendment does not apply to the 99.7 percent under your definition.

We always get these amendments maybe a half an hour beforehand.

In our review, the Senator's amendment excludes 99.7 percent of all corporations.

Another question I have——

Mr. HATCH. Can I answer the Senator, since he asked the question?

Mr. KENNEDY. These are of the businesses——

Mr. HATCH. Will the Senator yield so I can answer his question?

Mr. KENNEDY. OK.

Mr. HATCH. My amendment covers every corporation. There are a lot of private corporations, but they are still corporations.

Let's face it. The major thrust of my amendment is towards public corporations which has been complained of from time to time by Senators on both sides of the aisle. I am trying to cover both unions and corporations so we have an equal protection program.

Mr. KENNEDY. The Senator may be attempting, but that is not what the language says.

On page 2, it says under ''PROHIBITION.—Except with the separate, prior, written, voluntary authorization of a stockholder, in case of a corporation''—and once we have 99 percent of the businesses, according to Dun & Bradstreet, not covered by the stockholders, they are even, by mere definition, excluded.

Last week more than 6.7 billion shares were traded in the New York Stock Exchange. How were those covered? Would the Senator's amendment apply to just the stockholders included last week?

Mr. HATCH. My amendment would cover the stockholders who existed on the day the request for the expenditures was made.

Mr. KENNEDY. In your amendment, you talk about cycle; you don't talk about day. A cycle is generally referred, under the Federal Election Commission, to be the whole 2-year-period. We are talking about these transitions in terms of stockholders just from 1 day. I am wondering how the permission for stockholders would be met in those circumstances.

Mr. HATCH. We are talking about violations of the Federal Election Campaign Act. The FEC would have the job of determining the regulations applicable under the circumstances. The amendment is quite clear what we are trying to get after; that is, trying to give stockholders and union members a right to have some say in the way unions spend, in the case of unions, and corporations, in the way corporations spend on behalf of shareholders.

Mr. KENNEDY. It is the position of Senators MCCAIN and FEINGOLD that is done under the codification of the Beck decision in the first place.

You talk about the parity between corporations and unions. Yet on page 3 you say ''for any corporation described in this section to use funds from its general treasury.'' So you are talking about the use of funds by corporations.

But on the other hand, if it is a labor organization, you are talking about collecting or assessing such employees' dues or initiation fees or other payments. On the one hand, you require one criteria for corporations for expenditures, and on the other hand, for the unions, you have an entirely different definition.

Can you explain why you favor corporations in your language to the disadvantage of unions? Why do we have such a disparity in this when you tried to represent to the Senate that you are trying to be evenhanded?

Mr. HATCH. What are we talking about?

Mr. KENNEDY. Would you look at this language and tell me if I am wrong? I think it is very important. You are representing this is evenhanded. This is not evenhanded. We want to understand why it isn't evenhanded or the Senator should admit it isn't, if you are trying effectively to gut the representatives of working families.

Mr. HATCH. I don't think the distinguished Senator from Massachusetts is wrong in what he is saying. I don't think you are wrong in your interpretation of the language, but the bill treats the union members and their dues in the separate context of shareholders and their value in a corporation.

The regulations will have to be set by the Federal Election Commission pursuant to this amendment. It is equal in treatment because what we are trying to do is give the shareholders in the case of corporations a right to have some say in how the assets of a corporation are used, in proportion to their shares in a corporation. Naturally, these situations are not analogous, and for the union member, how the dues of the union member are spent by the unions.

The Senator's characterization of the McCain-Feingold language is inaccurate, and I think I more than indicated that in my opening remarks with regard to the Beck case. Actually, the McCain-Feingold language narrows the Beck case.

Mr. KENNEDY. If I could reclaim my time.

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

Mr. KENNEDY. Mr. President, what we are seeing very clearly is not what is being stated by the Senator from Utah but what is included in the language. That is what we are voting on. In the language of the amendment, it is very clear on page 2 that in the case of a corporation, to each of its shareholders, it is less than 2 percent of all businesses that have shareholders.

For the shareholders, we see how the velocity of the transitions of shareholders—we find there is a different criteria that is used for unions, different from corporations.

On the first page, it talks about any corporation or labor organization. Taking the case of a labor organization, it must submit a written report for such cycle—that is 2 years; in the case of a labor organization, to each employee. Now, that is to each employee. There are 13 million members of the trade union movement. Those who are members, of course, bargain. Several million more are covered, generally, by political activity.

Listen to what they have to have for every individual. They will have to receive a report from the organization. On page 4, what will be included: ''Internal and external communications relating to''—it will be interesting to hear the definition of what is related—''specific candidates, political causes,''—this is a new word.

What in the world is a ''political cause''? Generally, a political cause is in the eye of the beholder. What do they mean by political cause?

They have to send to every employee—that is what this says—the internal and external communications relating to specific candidates.

Who are specific candidates? What do we think are the specific candidates? According to the Federal Election Commission, every Member of Congress is defined as a candidate, 435 House Members, 100 Senators.

Any communication that is internal or external relating to—whatever that means—political candidates, political causes and committees of political parties.

If you don't, you have the criminal penalties included under the Federal Elections Commission where people can go to jail for failing to file these reports which are so voluminous.

This amendment is poorly drafted. It doesn't even do what the proponents of this amendment are attempting to do. It is one sided. It is targeted. The aim of this proposal is very clear. It doesn't apply to any of the other independent groups. It doesn't apply to the National Rifle Association. They don't have to conform with it. The Sierra Club doesn't have to; Right to Life doesn't have to. It is just to corporations. But only less than 2 percent of the corporations have to apply, and every union.

In terms of every activity or potential activity and every expenditure for every member, not only at the national level, the State level and local level have to get the reports. Every member has to get the report. It is absolutely nonworkable.

Finally, what are these activities? On page 5, the term ''political activity''

means voter registration activity. Many of us have tried to encourage voter registration. In fact, labor unions are involved in that. Not many companies or corporations are. I wish they would be. Some of them have been, but they won't be any longer if this passes. They won't be contributing to any local group, to the League of Women Voters or other groups involved in voter registration activity because if they do, they trigger all of these other kinds of participation.

The proponents of this understand who does the voter registration. Who does it? It is labor unions. And they are included. Voter identification or get-out-the-vote activity, who does that? Maybe the Senator from Utah can list the number of corporations that are involved. We know who does it. We might as well state it is directed against union activity. They are the ones. I don't mean companies or corporations. Even the ones that have shareholders—again, it is targeted to who?—corporations? No, it is targeted to the labor union and then public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate.

Maybe there are some corporations, but primarily those are for unions, again.

This is very clear, what is being stated here. Under the existing Feingold-McCain bill, there is restatement of what the constitutional holdings are at this time. It is effectively a restatement. There are some who would like to change or alter those. But this is a very poor attempt at trying to gain parity. We could take additional time to go through the various provisions. I hope the Members will take that time.

We just received this at the time the Senator rose to speak. It is poorly drafted, poorly constructed, and it does not do the job the proponents want it to do.

Finally, I do think workers and those who represent workers and unions should have a right to have their voices heard, to speak out on these issues. The fact remains, we still have not had an opportunity to vote on a minimum wage. I know there are many in this Chamber who hope we never will have that opportunity; but we will, and we will have it done pretty soon.

Then there is the Patients' Bill of Rights that workers support, and we are having difficulty, given the fact that today the President of the United States issued a message that if any of the proposals currently before the Congress pass, he would veto each one of them.

We have seen what has happened in recent times with arsenic standards being pulled back at the request of industry. We find out that the CO_2 standards are being pulled back at the request of industry. We have other examples that are current on this score. We are finding out the influence of the HMOs on the administration is overpowering. It is not the voices of the workers or the families that are tripping up this country, it is the special interests, the large, powerful groups that are expending untold millions. By a ratio of virtually 10 to 1 and 12 to 1, corporations are involved in outspending the unions of this country. Nonetheless, we are faced at this time with an attempt to try to emasculate that opportunity for their voices to be heard. They are the voices for education. They are the voices for health care. They are the voices for child care.

Those are the voices that I think we need to hear a lot more of, not less.

To reiterate, I rise in opposition to this amendment, misleadingly called the Paycheck Protection Act. It is nothing of the sort. Instead, it is a blatant attempt to silence the voices of working families on the most important issues our Nation faces today. It is an effort to muzzle effective debate on critical legislation affecting the workers of this country. It is not reform. It is revenge for the extraordinarily successful efforts made by the unions to get out the vote in the last election. The amendment is wrong and unfair. It is undemocratic. It is most likely unconstitutional. I urge my colleagues to vote against it.

Make no mistake about it. A vote for this amendment is a vote against America's workers.

Supporters of this amendment claim that they are concerned about union members' rights to choose whether and how to participate in the political process. We know better. It is crystal clear that the real agenda of those who support the pending amendment is not to protect dissenting workers but to scuttle union participation in the political process.

My friends across the aisle know that unions and their members are among the most effective voices on issues of concern to workers, including raising the minimum wage; ensuring the availability of health insurance; protecting the balance between work and families; preserving Social Security, Medicare and Medicaid; improving education; and ensuring safety and health on the job. And unions help their members to become active in the political process. As a result of union activity, over two million union members registered to vote in just the last 4 years. In the last election, there were 4.8 million more union household voters than in 1992. In fact, 26 percent of the voters in the last election came from union households. This should surely be a welcome development in a country that prides itself on fostering and promoting a healthy democracy.

But my friends across the aisle do not welcome this development. They want to do everything they can to keep workers from voting and from participating in the political process. That is because they fear that workers and those who represent workers' interests will defeat their anti-labor agenda. Silencing the voices of working families will make it easier for Republicans and their big-business friends to achieve their anti-worker goals. Supporters of this amendment want to cut workers' overtime pay and deny millions of workers an increase in the minimum wage. They would end the 40-hour work week and permit sham, company-dominated unions. They voted for this body's shameful repeal of the Department of Labor's ergonomics rule, leaving workers unprotected against the number one threat to health and safety in the workplace. They oppose the Family and Medical Leave Act. They support privatizing Social Security. They favor private school vouchers that take funds away from our efforts to improve the public schools. They are not trying to help working Americans. To the contrary, they want to gag workers so that they can implement an aggressive agenda that workers strongly oppose.

This is not paycheck protection. This is paycheck deception. And if we adopt it, we will achieve our opponents' goals of disenfranchising working families. This amendment would silence working families by barring a union from collecting any dues or fees that are not related to collective bargaining unless the union obtained a written permission slip from each employee each year. It would require unions to create an unnecessary, burdensome and expensive bureaucratic process. Unions would have to create recordkeeping and filing systems for responses, solicit approval from each covered employee every year, and constantly recalculate the amounts they could spend on political activity—activity that frequently requires immediate action. The AFL-CIO has estimated that implementing a paycheck deception provision would cost unions and their members approximately $90 million in the first year and $27 million each year thereafter. That is money taken away from workers' hard-earned benefits and their pension plans.

This will, of course, hamper unions' ability to participate fully in political and legislative battles. That is the primary purpose of this bill. Handicapping unions in this way will also further skew the drastic existing imbalances in our political system. A report issued last fall by the non-partisan Center for Responsive Politics showed that special business interests spent more than $1.2 billion in political contributions in the last election cycle. These payments swamped the contributions of working families through their unions, which amounted to a total of only $90.3 million. That means big business outspent labor unions by a ratio of 14 to 1.

The same report found that business outspent unions in ''soft money'' contributions by an even larger margin—17 to 1. The situation has gotten worse over time, moreover. In the 1998 election cycle, according to a previous report by the center, businesses outspent unions on politics by only 11 to 1. In 1996, the gap was 10 to 1. In 1992, it was 9 to 1.

These ever-widening disparities are not good news for our democracy. But this paycheck deception amendment would only tip the electoral and legislative playing field ever more decisively in favor of big corporations and the wealthy.

In only the last 2 weeks, the power of these special interests has become ever more apparent. Just 2 weeks ago, the Congress voted—with less than 10 hours of debate in the Senate and a mere hour of discussion in the House—to revoke worker protections against ergonomic injuries on which the Department of Labor had worked for 10 years. No employer is now required to do anything to prevent these painful and debilitating worker injuries.

Following up on their ergonomics victory, business and special interests scored another coup when this body passed the bankruptcy bill last week. This is a bill that caters to the credit card industry, at the expense of working Americans who will now face more business-created hurdles to getting back on their feet financially after setbacks.

This amendment is also a ''poison pill'' for campaign finance reform. It is being championed by those who believe that the inequities in the system are just fine—who would like to have no changes to address the corrupting influence that money has on our national elections. They know that no supporter of campaign finance reform—including my good friend Senator MCCAIN—can vote for a bill that contains these outrageous provisions. They propose this amendment with the full knowledge that it could bring down these reforms and further the power of corporate and wealthy special interests. We should not allow ourselves to be made parties to this ploy.

For these reasons, paycheck deception bills have been rejected every time they have been raised. In 1998, a large, bipartisan majority of the House of Representatives voted down a national paycheck deception scheme by a vote of 246 to 166. Twice now—in 1997 and 1998—bipartisan majorities in the Senate have blocked paycheck deception bills. Thirty-five States have refused to enact paycheck deception bills since that time. And California voters in 1998 and Oregon voters just last year soundly defeated ballot initiatives that would have imposed paycheck deception.

The cynicism behind this amendment is made more obvious because the amendment is completely unnecessary. For almost 13 years, the law has offered ample protections for any workers who disagree with a union's political activities. Under the landmark Beck decision, no worker, anywhere in the country, may be forced to support union political activities. In addition, in 21 States, workers cannot be required to support any union activities—even collective bargaining.

Since the Beck decision, every union, as the law requires, has created a procedure to ensure that dues-paying workers can opt out of a union's political expenditures. These procedures universally involve notice to workers of the opt-out rights provided under Beck; establishment of a means for workers to notify the union of their decision to exercise these rights; an accounting by the union of its spending so that it can calculate the appropriate fee reduction; and the right of access to an impartial decisionmaker if the worker who opts out disagrees with the union's accounting or calculations.

Moreover, the President has recently issued an Executive Order that goes to great lengths to ensure that all workers know their rights under Beck. This Executive Order, issued on February 17, requires every Government contractor to post a clear notice that alerts employees of their right to withhold their payments to unions for any purposes other than costs related to collective bargaining. Individuals may file complaints with the Secretary of Labor if they believe that a contractor has failed to meet this requirement. And the Secretary may investigate any contractor suspected of a violation, and may order a range of sanctions for noncompliance, including debarment of the contractor. I opposed this Executive Order because it does not inform workers of any of their other rights under our Nation's labor laws. But in this context, it removes any doubt whatsoever that workers will be informed of their Beck rights and provided remedies if they are not.

Remedies for violation of Beck rights are also available under the National Labor Relations Act. Under that act, non-union members who believe that they are being required to support a union's political activities, or who believe that the union's procedures do not afford an adequate opportunity for the individual to object, may file a complaint with the National Labor Relations Board or go directly to Federal court. In such cases, the board or the courts decide whether the particular union has developed procedures that are adequate to meet Beck requirements.

To erase any further doubts, the McCain-Feingold bill explicitly codifies the Beck requirements as a matter of law. Section 304 of McCain-Feingold requires all unions to establish objection procedures for real paycheck protection.

The bill requires unions to provide personal, annual notice to all affected employees informing them of their rights.

It requires that union procedures lay out the steps for employees to make objections to paying dues that would go toward political activity.

It requires unions to reduce the fees paid by any employee who has made an objection so that the employee will not be charged for any activities unrelated to collective bargaining.

It requires unions to provide explanations of their calculations.

Forty years ago, in a case called Machinists v. Street, the Supreme Court recognized that the majority of union voters have ''an interest in stating [their] views without being silenced by the dissenters,'' and that it was necessary to establish a rule that ''protect[s] both interests to the maximum extent possible, without undue impingement of one on the other.'' Beck was the Supreme Court's formulation of this rule, and it represents a sound and reasonable way to achieve this goal. And McCain-Feingold respects this rule laid out so well by the Court.

The proposed amendment would upset this careful balance between majority and dissenting interests. Where the Court has stated that ''dissent is not to be presumed—it must be affirmatively made known to the union by the dissenting employee,'' the bill creates precisely the opposite regime: dissent will be presumed absent explicit consent. Under this ill-advised amendment—and unlike in every other democratic institution in our country, including the Congress itself—a minority would be able to thwart the will of the majority by fiat. Not by debate. Not by discussion. Not by a reasoned exchange of competing ideas. Just by silence.

I believe this paycheck deception amendment is also unconstitutional. The amendment would interfere with union members' freedom to associate in their unions according to membership rules of their own choice. Under current law, unions may make payment of normal dues the precondition for membership and participation in the union. Unions may—and do—provide that only those individuals who have paid their full dues may vote on issues before the union or run for union elective office. It is entirely appropriate for those workers who do not wish to support the union's political activities to resign from membership. They cannot be required to fund political activities, and their dues will be reduced accordingly. These workers will receive the full benefits of union representation on issues related to the union's bargaining obligations. But they will not be members of the union who can participate in making fundamental decisions about union business—including the election of officers, the use of organizational resources, or the union's political positions.

But this amendment states that those who do not pay full dues still have a full voice in the affairs of the union. They would have the same rights and benefits as those who pay full dues. That is not only unconstitutional, it is just plain wrong.

Some of my colleagues claim that the egregious unfairness in this amendment can be cured if corporations are bound by ''shareholder protection'' requirements. But comparing unions and corporations and workers and shareholders is like comparing apples and oranges. They simply are not the same.

First, no corporation requires payments for political purposes as a condition of employment. Shareholders are not employees. It is laughable to think that bills that regulate payments that are ''conditions of employment'' create parity between unions and corporations.

Second, 99.7 percent of American for-profit corporations are privately held and have no shareholders to protect.

Third, shares in public corporations are typically held by institutions such as mutual or pension funds not by individuals. Any bill that purported to create parity between unions and corporations would have to reach individuals, and would have to apply to the political and legislative spending of intermediate entities, not simply to expenditures by the companies at the end of the ownership chain. None of my colleagues is rushing to do that.

Finally, were corporations to be required to meet the standards that would be imposed on unions, they would have to account for political and legislative spending and budgets; disclose such spending and budgets to shareholders; constantly track new shareholders and recalculate ownership shares based on daily activities in the stock market; constantly solicit consent from this ever-changing group; and pay extra dividends or other financial benefits to shareholders who did not authorize political expenditures.

The pending amendment does not do this. No bill purporting to create parity has ever done this. No bill would ever do so. Such a bill would likely bring commerce to its knees, as corporations spent their time creating immense administrative bureaucracies to implement these requirements.

We would never hamstring corporations in this way and we should not do it to labor unions, either. We should not impose these unreasonable, unfair, and likely unconstitutional burdens on our country's unions, which represent the most effective voice for our working families.

Since its founding, our nation has respected and nurtured the fundamental principle that democracy thrives best when there is robust debate over issues of public concern. This amendment would subvert that bedrock proposition. I urge my colleagues to reject this attack on our working families, our unions, and our country's core values.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I can't stay here and let the Senator from Massachusetts get away with this. Here we go again. I acknowledge he represents a State that is highly unionized. I don't know if he ever worked for a union or belonged to a union, but I have. I spent 10 years in the building construction trade unions. I have a lot of respect for the union movement. I would fight for the right of collective bargaining.

But, unlike my colleague from Massachusetts, I do not believe I have to champion everything that one cause wants over everybody else. I should not say everybody else, but over anybody who is not one of the most liberal special interest groups in our country.

I do not need a lecture from the distinguished Senator from Massachusetts on how to write legislation. Nor do I need a lecture from the distinguished Senator from Massachusetts on what the Beck decision means.

The Senator and many on the other side of the aisle will spend every ounce of their beings to make sure that union members have no say with regard to how their moneys are spent in political activities.

By the way, with all due respect to my friend from Massachusetts—and everybody knows he is my friend; that is why I think my words may have a little more impact than some others' —the idea to include corporations and treat them in a manner comparable to labor organizations, as I recall, came from the distinguished Senator from Massachusetts himself. That was in the early 1990s when I offered amendments requiring disclosure of the money spent by labor organizations, money of hard-working American men and women.

As I recall, one of the principal arguments of my friend from Massachusetts was that corporations were not treated similarly—those big, massive, powerful corporations compared to these little, tiny, ''difficult to maintain freedom for the union members'' unions.

We all know what is going on here. There are people on that side who will fight to the death because, although 40 percent of all union members are Republicans, virtually 100 percent of all union political money is used to elect Democrats. I can recall many years when some of the most liberal Republicans who always supported labor, and when a Democrat who supported labor ran against them, that Democrat got labor support. If I have to cite anybody, I will cite Jacob Javits of New York.

I know what is going on here. They will fight to the death to make sure that those 40 percent of Republicans who work in the unions, who believe in Republican principles, will never have any say on how the totality of the money is spent in the political arena.

Oddly enough, I respect my friend from Massachusetts because he has been the No. 1 champion of these unpowerful trade union organizations.

Mr. DODD. Oddly enough.

Mr. HATCH. These poor little picked-on people who basically have no say in their lives, unless they have the protection of the distinguished Senator from Massachusetts, among others.

But to come here today and tell me I have to write every detail of regulation into a statute that I know the FEC can do is almost an insult. It comes close.

Mr. KENNEDY. Almost.

Mr. HATCH. He is fighting for his special interests, and I don't blame him. He gets 100 percent support from union activity and union money. It has kept him in office for years.

I have to say it is not just the liberal side of the union movement. My goodness, it is almost every liberal special interest group in this country. We all know when the distinguished Senator from Massachusetts speaks, he speaks for every liberal special interest group in this country, and you had better pay attention if you are on the Democratic side of the aisle, because if you don't, you are going to have a primary in the next election.

I respect that kind of power. And I love my colleague as very few in this body do.

(Laughter.)

Mr. MCCAIN. I don't.

Mr. HATCH. Senator MCCAIN said he doesn't. He is naturally being humorous, as he always is.

Let me just say this. I acknowledge that it is difficult to devise a manner in which this should be done, but I think we should work together and do what the distinguished Senator from Massachusetts said in the early 1990s ought to be done. We ought to get those big special interests in the corporate world to have to conform to certain disclosures.

This is an important matter for hard-working Americans. If my colleague thinks stockholders should be treated similarly, that is what I am trying to do in good faith. I think I am doing it pretty well.

Just so we get rid of this argument that every detail has to be written into legislation—heck, everybody around here knows that isn't the case ever. I myself think sometimes we ought to be a little more specific and not just let the bureaucracy run wild, but that is not the way things work in this Federal Government. Just think about it.

I think the argument of the distinguished Senator from Massachusetts is very insufficient in the details with regard to what legislation is all about. Let me give an illustration. The Federal Communications Act simply tells regulators to regulate the airwaves in the public trust.

I am sure the distinguished Senator from Massachusetts would love to have three or four thousand pages defining what that means—or maybe 150,000 pages defining what that means. But it works. It works as long as we have honest people in the bureaucracy.

Think of this one. There is a level of detail in all legislation that is left to administrators and regulators.

The McCain-Feingold bill that is so magnificent, triumphed by the distinguished Senator from Massachusetts, requires State parties to use hard money to pay the salary of a State party worker if they spend more than 25 percent of their time on Federal election activities.

That is pretty broad to me. Nowhere does McCain-Feingold state how State parties are to track these people's time—nowhere. We will leave that to the regulators.

I could go down each paragraph in the McCain-Feingold bill and shred it

alive, if the argument of the distinguished Senator from Massachusetts has any merit, which, of course, it does not. But that doesn't stop bombastic argument, nor should it. I love them myself. I love to see the distinguished Senator from Massachusetts get up there, and everybody is almost positive he is going to blow a fuse before he is through. But the fact is, he has a right to do that. I admire him for doing it. I admire the way he supports his special interests. I do not know of anybody who does it better. We don't have anybody on our side who can do that as well.

(Applause in the Galleries.)

The PRESIDING OFFICER (Mr. BROWNBACK). There will be order in the gallery.

Mr. HATCH. That brought tears to my eyes.

Mr. President, McCain-Feingold does not say if the contract workers are employees of the State party, or regular, full-time employees. Those details are left to regulators.

The amendment amends the FECA act so that the FEC would administer this and all existing FEC enforcement laws and regulations, as well as penalties that would apply.

I know what is going on. It is wonderful to argue for what helps your side. McCain-Feingold, to their credit, is trying to get a more honest system that is equal both ways. But if you read the provision on the Beck decision, it basically obliterates it. It basically narrows it so much that it has no meaning.

I have to say there are those on the other side of the floor who will never allow the Beck Supreme Court decision, the ultimate law of the land, to be enforced, or to be applied, because it would even things up, and it would allow 40 percent of the union membership in this country to have some say on how their dues are being spent in the political activity.

That is all I am trying to do. I think it is a reasonable thing. I think it is the right thing. I think it is the intelligent thing. If we don't do this, then are we really trying to have a bill that is going to correct some of the ills of our society?

I have no illusion. I suspect that many, if not all, on the other side will vote against this amendment because it does basically even things up. It does what the distinguished Senator from Massachusetts said we ought to do back in the early 1990s, but today is indicating, if we do it, that it has to be done in such specificity that it would be the most specified language in the history of legislative achievement.

AMENDMENT NO. 134, AS MODIFIED

Mr. President, I send a modification to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. HATCH. It is a technical correction.

Mr. DODD. I would like to see the amendment.

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

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

Mr. HATCH. Mr. President, my modification is at the desk. I ask unanimous consent that my amendment be so modified.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object—I am not going to object—Members should have the right to modify their amendments.

For the purposes of clarification, I wonder if my colleague from Utah might take a minute to explain the modification.

Mr. HATCH. It basically corrects language in the amendment. It basically allows proportionate share with regard to the unions, and also with regard to corporations. I think it applies both ways. But I wanted to make sure.

Mr. DODD. I am sure the President understood that.

I have no objection.

Mr. HATCH. Mr. President, I yield the floor.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 134), as modified, is as follows:

Beginning on page 35, strike line 8 and all that follows through page 37, line 14, and insert the following:

SEC. 304. DISCLOSURE OF AND CONSENT FOR DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by inserting after section 304 the following:

"SEC. 304A. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

"(a) DISCLOSURE.—Any corporation or labor organization (including a separate segregated fund established and maintained by such entity) that makes a disbursement for political activity or a contribution or expenditure during an election cycle shall submit a written report for such cycle—

"(1) in the case of a corporation, to each of its shareholders; and

"(2) in the case of a labor organization, to each employee within the labor organization's bargaining unit or units;

disclosing the portion of the labor organization's income from dues, fees, and assessments or the corporation's funds that was expended directly or indirectly for political activities, contributions, and expenditures during such election cycle.

"(b) CONSENT.—

"(1) PROHIBITION.—Except with the separate, prior, written, voluntary authorization of a stockholder, in the case of a corporation, or an employee within the labor organization's bargaining unit or units in the case of a labor organization, it shall be unlawful—

"(A) for any corporation described in this section to use portions, commensurate to the share of such stocks of funds from its general treasury for the purpose of political activities; or

"(B) for any labor organization described in this section to collect or use any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) EFFECT OF AUTHORIZATION.—An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(c) CONTENTS.—

"(1) IN GENERAL.—The report submitted under subsection (a) shall disclose information regarding the dues, fees, and assessments spent at each level of the labor organization and by each international, national, State, and local component or council, and each affiliate of the labor organization and information on funds of a corporation spent by each subsidiary of such corporation showing the amount of dues, fees, and assessments or corporate funds disbursed in the following categories:

"(A) Direct activities, such as cash contributions to candidates and committees of political parties.

"(B) Internal and external communications relating to specific candidates, political causes, and committees of political parties.

"(C) Internal disbursements by the labor organization or corporation to maintain, operate, and solicit contributions for a separate segregated fund.

"(D) Voter registration drives, State and precinct organizing on behalf of candidates and committees of political parties, and get-out-the-vote campaigns.

"(2) IDENTIFY CANDIDATE OR CAUSE.—For each of the categories of information described in a subparagraph of paragraph (1), the report shall identify the candidate for public office on whose behalf disbursements were made or the political cause or purpose for which the disbursements were made.

"(3) CONTRIBUTIONS AND EXPENDITURES.—The report under subsection (a) shall also list all contributions or expenditures made by separated segregated funds established and maintained by each labor organization or corporation.

"(d) TIME TO MAKE REPORTS.—A report required under subsection (a) shall be submitted not later than January 30 of the year beginning after the end of the election cycle that is the subject of the report.

"(e) DEFINITIONS.—In this section:

"(1) ELECTION CYCLE.—The term 'election cycle' means, with respect to an election, the period beginning on the day after the date of the previous general election for Federal office and ending on the date of the next general election for Federal office.

"(2) POLITICAL ACTIVITY.—The term 'political activity' means—

"(A) voter registration activity;

"(B) voter identification or get-out-the-vote activity;

"(C) a public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and

"(D) disbursements for television or radio broadcast time, print advertising, or polling for political activities."

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. Mr. President, how much time remains?

The PRESIDING OFFICER. On this amendment, there are 37 minutes. The opponents have 62 minutes.

Mr. MCCONNELL. Mr. President, I thank Senator DODD and others for allowing Senator HATCH to modify his

amendment. We got into quite a tussle the other night over that issue. I am pleased to see the comity that the Senate normally enjoys. It has been exercised on this occasion. I thank everyone for allowing Senator HATCH to modify his amendment.

Let me say that this amendment has been described as a poison pill by the New York Times and the Washington Post and Common Cause. I think it is important for Members to understand what a ''poison pill'' is by their definition. A poison pill is anything that might affect labor unions. Disclosure and consent are universally applauded in the campaign finance debate. Disclosure and consent are the two principles upon which there is wide agreement on a bipartisan basis throughout this Chamber—unless it applies to labor unions.

What Senator HATCH is trying to do is to apply those principles—disclosure and consent—to organized labor in this country. Admittedly, the so-called paycheck protection amendment in the past has only applied to unions. Many of our Members have complained about that.

The senior Senator from Arizona, as recently as January 22, complained about the fact that it did not apply to shareholders. The junior Senator from Wisconsin, on the same day, was complaining about the paycheck protection proposal because it only applied, as he put it, to one player, the labor unions. Senator KERRY of Massachusetts, in the last year or so, was complaining about paycheck protection because it only applied to labor unions. Senator LIEBERMAN, in February of 1998—just a couple years ago—I suspect it is still his view that paycheck protection is a problem because it does not apply to corporations. That is one of the principal arguments against so-called paycheck protection.

The Senator from Utah has now applied it to corporations. He has applied it. There is parity between unions and corporations. The goal is to ensure that all political money is voluntary.

In a corporation without shareholders, if the owner uses his money on politics, obviously, it is voluntary because it is his money. With shareholders, we need this legislation so executives do not decide for the shareholders.

In unions, the consent provision ensures political money from dues are voluntarily used for political purposes. And, of course, there are no privately held unions.

Paycheck protection is clearly constitutional. In Michigan State AFL-CIO v. Miller, the U.S. Sixth Circuit Court of Appeals upheld a State statute requiring unions to get affirmative consent each year from union members. In fact, the court held that the affirmative consent requirement, similar to Senator HATCH's requirement, was not even subject to the highest degree of strict scrutiny. Rather, the court found the affirmative consent requirement so noncontroversial that it was subject only to intermediate scrutiny. And it survived intermediate scrutiny and survived review under this standard.

The court upheld the affirmative consent requirement explaining that:

> By verifying on an annual basis that individuals intend to continue dedicating a portion of their earnings to a political cause, [the consent requirement] both reminds those persons that they are giving money for political causes and counteracts the inertia that would tend to cause people to continue giving funds indefinitely even after their support for the message may have waned. The annual consent requirement ensures that political contributions are in accordance with the wishes of the contributors.

So there is a binding Federal court precedent upholding affirmative consent requirements on unions. This case makes clear that such provisions are not even subject to strict scrutiny.

It is entirely possible that unions are the biggest spenders in our elections. But we do not know because they do not disclose the majority of their political activities. The numbers people use to say corporations outspend unions are suspect because they only include what unions disclose. But we can estimate what unions spend because there is no meaningful disclosure anywhere of what unions spend on political activities—such as phone banks, direct mail, voter identification, get-out-the-vote activity, candidate recruitment, political consulting, and other activities—in support of the Democratic Party. We must, admittedly, simply estimate what they spend.

By contrast, we have a very good idea what corporate America spends because almost all of its activity is limited to operating PACs and making soft money donations to parties, which, unlike big labor's ground game, are fully disclosed activities.

In estimating what unions spend, we should note that in Beck cases—and remember, the Beck case was about a nonunion member—it is not unusual for nonunion members, seeking a refund of the pro rata share of their fees that the union uses for activities unrelated to collective bargaining, to get back in excess of 70 percent. In the Beck case itself, Mr. Beck got back 79 percent.

So let's be very conservative and say that the unions spend 10 percent of the money they take in each year to help Democrats.

Now, let's look at how much unions take in from dues from members, agency fees from nonmembers, and other sources, such as their affinity credit card program. According to figures from the Department of Labor for 1999, the Auto Workers Union took in $308,653,016. The Steelworkers Union took in $569,198,286. The Machinists Union took in $167,201,344. The Carpenters Union took in $624,205,132. The Laborers International Union took in $133,921,734. The Food and Commercial Workers Union took in $316,458,642. The Airline Pilots Union took in $277,508,365. The Teamsters brought in $303,498,920.

I could go on. I have not yet included some of the largest unions, such as the Communications Workers, the Service Employees Union, the Hotel Workers Union, the National Education Association, and the Electrical Workers, all of which are among the largest unions in America.

But if we just add up what the eight unions I mentioned raked in during 1999, it amounts to $2,700,645,439. If we double this figure, to reflect what these eight unions took in during the 1999–2000 election cycle, it amounts to $5,401,290,878.

If these eight unions spent just 10 percent of this amount to help the Democrats in the last election, these eight alone spent $540 million. So it is safe to say that unions easily spend at least $½ billion for Democrats in each election cycle.

Independent academic research from Professor Leo Troy of Rutgers arrives at similar numbers, as do estimates from former high-ranking union officials, such as Duke Zeller, formerly a Teamsters official, who has acknowledged that big labor spent about $400 million for the Democrats and Bill Clinton in 1996.

Contrast this with $244 million total for all corporate and business association hard and soft money contributions to the Republican and Democratic Parties, including their congressional committees.

These figures regularly cited about business outspending labor 10 or 15 to 1 are based on questionable figures generated by the ''reform industry'' to reenforce its own mythology about how corrupt Congressmen are, in the pocket of big business. These estimates are not based on sound, unbiased FEC figures.

Moreover, the reformers' estimates only look at how much publicly disclosed hard and soft money businesses and labor give to parties and their candidates. They totally ignore the hundreds of millions big labor pour into its massive, undisclosed ground game operated on behalf of the Democratic Party.

The dirty little secret that big labor and its allies do not want anyone to know is that corporate America just makes contributions and may run up some issue ads once in a while to which we can assign a price tag, thanks to ad buy information. Big labor, on the other hand, makes some contributions, runs some issue ads, but that is just the tip of the iceberg. The vast majority of its political activity and money is dedicated to the ground game. These direct expenditures which completely dwarf what business spends on politics, even if they are only 5 to 10 percent of what big labor rakes in each year, aren't disclosed anywhere. Nowhere is this disclosed. And big labor's allies will do everything they can to make sure these massive expenditures that form the brunt of big labor's political

operation remain hidden away from the sunlight of disclosure.

The distinguished Senator from Massachusetts has noted that no corporation does get-out-the-vote operations. Unions offer the appearance of a legitimate democratic process but none of the reality, and disregard the interests of working men and women instead of representing them.

In 1959, Congress enacted the Labor-Management Reporting and Disclosure Act to protect the rights and interests of union members against abuses by unions and their officials. The act gave union members various substantive rights that were considered so crucial to ensuring that unions were democratically governed and responsive to the will of their membership that they were labeled the Bill of Rights of Members of Labor Organizations. The LMRDA made rank-and-file union members the sole guardians of protections set forth in the Bill of Rights for Members of Labor Organizations by prohibiting the Secretary of Labor from investigating violations of those rights.

Of course, Congress realized that the protections provided in the Bill of Rights for Members of Labor Organizations were meaningless if union members did not know of their existence. Therefore, in section 105 of the act, Congress mandated that ''every labor organization shall inform its members concerning the provisions of this chapter.'' Unfortunately, as demonstrated by the U.S. Fourth Circuit Court of Appeals recent decision in Thomas v. The Grand Lodge of the International Association of Machinists, a decision handed down in just January of this year, the officials at labor unions have frustrated the will of Congress and sought to prevent their members from learning of their rights by refusing to notify members of the act's protections when they join.

In Thomas, the union asserted that their one-time publication of the provisions of the act to their membership way back in 1959—the fact that they published it one time in 1959 —satisfied their obligation to notify their members. The court of appeals rejected this somewhat ingenious argument because it ran counter to the clear text of section 105 and because ''Congress clearly intended that each individual union member, soon after obtaining membership, be informed about the provisions of the act,'' including the Bill of Rights of Members of Labor Organizations.

This is the reality of union democracy and the contempt union leaders have for the rights and interests of working men and women. Unions still continue to fight disclosing to workers the basic rights Congress set forth back in 1959.

The reason the underlying amendment doesn't include ideological groups is that when you give to the Sierra Club, you know the causes they advocate. When people join unions or are forced to pay fees to unions, they probably don't know that unions use their dues for such things as an effort in 1996 to legalize marijuana in California. The Teamsters contributed $195,000 in union dues to support that particular effort. I wonder how many hard-working families of union members want their hard-earned dollars to be used for the legalization of marijuana. I cite that as an example of the way in which union dues can be used without the consent of members and on causes certainly the members are not likely to agree with.

Senator HATCH, through this important amendment, is trying to get at some of these problems. I commend him for his outstanding leadership on this issue over the years. We certainly hope this amendment will be approved.

I retain the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who seeks time?

The Senator from Connecticut.

Mr. DODD. Mr. President, I yield 15 minutes to the distinguished senior Senator from the State of Michigan, Mr. LEVIN.

The PRESIDING OFFICER. The Senator from Michigan is recognized for up to 15 minutes.

Mr. LEVIN. I thank my friend from Connecticut.

Mr. President, this amendment is written as though it would apply to both corporations and unions. The words on the piece of paper we have just been handed say ''any corporation or any labor union.'' When somebody first looked at it, they would say: Aha, this applies to both.

In the real world, it doesn't. In the real world, the only entities to which it applies are unions and not corporations. The activities which are covered here are really for, first, voter registration activity. I don't know of too many corporations that engage in that. I would love to know from the sponsors of this amendment what percentage of corporations engage in voter registration activity. That is the first thing it covers, something which unions do and corporations don't. But we are told there is parity in this amendment.

The second thing we are told it covers is voter identification or get-out-the-vote activity. I don't know of too many corporations that engage in voter identification or get-out-the-vote activity. I would be really interested to hear from the sponsors of this amendment as to what percentage do because I don't know of many. In fact, I don't know of any offhand. So while it purports to be equal in its application, while it purports to have parity to both unions and corporations, it is purely paper parity, it is not real world parity. It is the appearance of parity without the reality of parity—paper parity.

The third item is public communication that refers to a clearly identified candidate. I am not sure what that means, because if it were a public communication that expressly advocated support for or opposition to, it would then be an expenditure which would have to be paid for in hard dollars. I am not sure even what the relevance of that is in this particular place. The same thing with disbursements for television or radio broadcast time.

The heart of this amendment is to go after union activity and to place requirements on unions that are so onerous that they will not be able to meet them. To require affirmative approval of certain activities in a voluntary organization and association which has voted to engage in certain activities in which free people engage is set aside here. Instead, under this amendment, we have a free association of people, because no one can be required to be a member of a union, not in this country. Nobody can be required to be a member of a union.

So you have an association of free men and women who have decided that they want to engage in certain political activity, but we are told in this amendment that they have to go through certain hoops and they have to jump across certain hurdles before they are allowed to do so.

We are told that there is parity here. Stockholders are also covered by this, we are told. Yet we haven't heard, despite the many suggestions and questions asked about this, of any corporations that engage in this activity that would be required to obtain stockholder approval before using corporate funds to do so.

If this were a serious amendment aimed at parity, if this were truly a real-world parity amendment, it would not be written in the way it is relative to corporations. Saying that you would have to get the approval of stockholders, for instance, without saying which class of stockholders—common stock, preferred stock—what day are we getting the approval of stockholders on, was it yesterday before a billion shares of stock were sold on the New York Stock Exchange, is it today, when another billion shares of stock are going to be sold on the New York Stock Exchange, This is not a moving target which would be presented to a corporation. It would be a moving bullet which would have to be somehow or other captured so these requirements could be met. But they are not real requirements because corporations don't engage in the activity purportedly being covered by this amendment.

The purpose of this amendment is to try to restrict legitimate political activity of an association of men and women in a labor union. The disguise is pretty thin. The disguise is, look, we have heard a lot about covering corporations, so we are doing it. But this isn't the activity that the corporations engage in which is set forth in this amendment. This is the activity in which labor unions engage—voter registration activity, voter identification, or get-out-the-vote activity. So the disguise is pretty thin. The parity is paper parity only.

This amendment, it seems to me, should be seen for what it is—a way to

attempt to reduce the political activity of labor unions. There was a case called Machinists v. Street in the Supreme Court back in 1961. The Supreme Court expressed concern with encroachment on the legitimate activities and necessary functions of unions. They made it very clear in that case that it is up to the members of the union to decide in what activities they would engage, and that dissent is not presumed, in the words of the Supreme Court.

This amendment reverses that right of association where members of an association are presumed to support, by the election of their officers and adoption of their bylaws, the program of that association. It reverses the Supreme Court's assumption and presumes dissent, requiring affirmative approval of members of a free association.

This is what the Supreme Court said:

> Any remedies, however, would properly be granted only to employees who have made known to the union officials that they do not desire their funds to be used for political causes to which they object. The safeguards in the law were added for the protection of dissenters' interests, but dissent is not to be presumed.

This amendment, by requiring that unions go through very complicated, cumbersome procedures in order to obtain affirmative approval of members of that free association, is intended to put a damper on union political activity, and it is very clear what this purpose is.

Finally, let me just say this: This is not an amendment, it seems to me, which belongs in this bill or is really appropriate in this bill. This is an amendment that is aimed at labor unions, separate and apart from any bill that we have before us relative to money going into campaigns. This is not an amendment that is aimed at the appearance of corruption, which we have been told, under Buckley, can be addressed by trying to put some limits on contributions to campaigns. That is what the Buckley case says we can do.

In order to avoid the appearance of corruption, the appearance of impropriety, we can put contribution limits on contributions, we can restrict contributions because of what can be implied, and is too often implied, by large contributions going into these campaigns. We have not been shown the corruption that this amendment intends to remedy.

What this amendment intends to do is to restrict the rights of association of members of a union—people who voluntarily decide they are going to either be in a union, remain in a union, or join a union; people who are not required to stay in a union by law; people who are not required to join a union by law because no law can require that in this country. Yet it is the restriction of that association, the right of men and women in a free country to associate freely and to decide on a regime of political activity that is being restricted by this amendment—with no showing of an appearance of corruption, restriction on the rights of association. That is what this amendment reflects.

That cannot just be disguised or covered up by saying, oh, look, it applies to corporations, too, when in fact the corporations do not engage in the activity being discussed here. And, in fact, if this seriously were aimed at corporations, it would be so totally unworkable that it would fall of its own weight. No corporation I know of could possibly comply with these rules, even if it wanted to engage in get-out-the-vote activity or voter registration. There would be no practical way it could comply with this.

The effort to modify this amendment was a reflection of the total inability of a corporation to function under this kind of a rule. But it doesn't cure the problem because, again, we are not told: When is this decision made? What day are the stockholders going to be counted? Do they have to be asked on a certain day as to whether or not they approve a get-out-the-vote campaign or a voter registration campaign? The next day you may have hundreds of thousands, perhaps in a large corporation, of different stockholders. What classes of stock are covered? There is nothing about that—and for good reason. That is not the purpose of the amendment.

The purpose of this amendment, I am afraid, is a purpose in which we as a body should not participate. The purpose of this amendment is to restrict the political activities of a free association. We should not do that, whether we like the association or don't like the association. We should not do that whether the association is supportive generally of our party or opposes generally our party. The principle here, the principle involved, is the right of association under the first amendment. It cannot be restricted by law. It should not be restricted by this body. We should not attempt to place these kinds of restrictions on the associative rights of American citizens.

Finally, under a NAACP case in 1963, I will close with this quote. The first amendment is what is being discussed in that case, and this is what the Supreme Court held:

> Because first amendment freedoms need breathing space to survive, government may regulate in the area only with narrow specificity.

I know we are going to have a debate over whether or not the bill before us meets the first amendment test. Those of us who very much support McCain-Feingold feel passionately that it does, that it is narrowly crafted to allow for regulation, to address the appearance of impropriety and corruption. But there is no way that the amendment before us, which has an effect only on the free association of labor unions, can possibly meet this test with no showing of an appearance of corruption, no showing of an appearance of impropriety, and severe practical limits on the rights of association in trade unions. And I believe this language should not only be defeated by this body, but, hopefully, will be rejected on a bipartisan basis because it would cut into the rights that I believe all of us should want very much to protect.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, the Senator from Michigan is correct, of course, that no worker can be forced to join a union. They can, however, be forced to pay fees to unions, equal to union dues, as a condition of maintaining their employment. That is precisely the point of Senator HATCH's amendment.

As for the concern of the Senator from Michigan about the fact that no corporation does ground wars as unions do, that is, of course, precisely the point. That is exactly why McCain-Feingold is biased in favor of Democrats.

Unions, as the Senator from Michigan has pointed out, do the ground war for the Democrats. I wish we had an ally like that on our side. I admire the unions greatly. They do the ground war for the Democrats.

For Republicans, it is the party that takes the primary role in the ground war. As we have discussed here, and as the Senator from Michigan has conceded, corporations don't do that sort of thing. They never have and, in my view, they never will.

McCain-Feingold eliminates one-third of the resources that Republican Party organizations have to counter the union ground game from which Democrats benefit 100 percent.

According to Forbes magazine, the NEA's local uniserve directors act as the largest army of paid political organizers and lobbyists in the United States. According to NEA's own strategic plan and budget, these political operatives had a budget of $76 million for the 2000 cycle—$76 million for the 2000 cycle alone. None of that is touched by McCain-Feingold.

With regard to the unions, what do unions do to help Democrats? Again, I say I wish we had such an ally. This is what the unions do for the Democrats:

One, get out the vote;
Two, voter identification;
Three, voter registration;
Four, mass mailings;
Five, phone banks;
Six, TV advertisements;
Seven, radio advertisements;
Eight, magazine advertisements;
Nine, newspaper advertisements;
Ten, outdoor advertising and leafletting;
Eleven, polling;
And twelve, volunteer recruitment and training.

Boy, I wish we had an ally such as that. That would be wonderful. The only entity we have that engages in any of those activities on behalf of Republicans is our party organizations.

Their funds would be reduced by at least a third or, in the case of the Republican National Committee, 40 percent by McCain-Feingold.

McCain-Feingold purports to regulate some union activity, and I gather from reading the paper it has made the unions at least a little bit nervous. It purports to prohibit TV and radio ads that refer to a candidate within 60 days of a general election or 30 days of a primary.

However, with regard to national parties, everything the national party does must be paid for in 100-percent federally regulated hard dollars, even if it does not mention a single candidate.

If, in fact, that 1 restriction on union activity remains in the bill at the end, that leaves 11 other activities unions engage in untouched by McCain-Feingold while at the same time the bill reduces the funds available for the national parties by a third, to 40 percent.

In addition to that, McCain-Feingold, in effect, federalizes State and local parties in even-numbered years. In order for the Republican National Committee—it would apply to Democrats as well, but it is not as important to them because they have the unions as I just described—in the case of the local parties and the national party, they would have to operate at 100-percent Federal dollars, even if they were trying to influence a mayor's race in Wichita, KS.

This bill does little or nothing to the unions. What little it purports to do, I gather, has made the unions nervous, and it will be interesting to see if, before the end of this debate, not only are the amendments such as the one we are debating not approved, I am curious to see whether there will be additional amendments offered that will, in fact, take out what few uncomfortable portions of the existing bill there are for organized labor. In other words, I am predicting that not only will Senator HATCH's amendments—this one and the one he will offer after this one—probably be defeated, but that those elements of McCain-Feingold that currently create some angst among unions, there will be an effort to strip those out before we get to final passage.

In the name of fairness, what we are talking about, with Senator HATCH's amendment, is to make sure that union dollars are voluntarily given by members and that union activities are disclosed. Consent and disclosure are two principles, it seems to me, that have been at the heart of the campaign finance debate for many years.

I think we are probably through on this side. I do not know how many more speakers you have.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I know of three or four anyway. There may be a few others.

Mr. MCCONNELL. How much time do I have?

The PRESIDING OFFICER. The Senator from Kentucky has 15 minutes 30 seconds.

Mr. MCCONNELL. I reserve the remainder of my time, and I will see how it goes.

Mr. DODD. How much time remains on the opponents' side?

The PRESIDING OFFICER. Forty-seven minutes 22 seconds.

Mr. DODD. Maybe we will consume all of it, and if the Senator from Kentucky——

Mr. MCCONNELL. I have reserved mine.

Mr. DODD. How much time does my good friend from Minnesota need?

Mr. WELLSTONE. Ten minutes, and I may not take a full 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. WELLSTONE. Mr. President, I will tell you why I may not take the full 10 minutes. I had an opportunity to hear Senator LEVIN, and he said much of what I wanted to say except he said it better than I can.

I do want to be really clear that this ''paycheck protection'' amendment that all of us have been expecting has taken an even more egregious and cynical form than I had contemplated in all my nightmares.

This is not about sham issue ads. It is important to go after soft money that goes into such ads by any kind of organization. This is not about parity between corporations and unions, for all of the reasons Senator LEVIN outlined. This is, however, going after political activity defined as ''voter registration activity, voter identification, or get out the vote, public communication that refers to a clearly identified candidate for Federal office.''

I can understand why, given what we have been doing on the floor of the Senate over the last couple of weeks, such as, for example, in 10 hours overturning 10 years of work to have a rule to provide some protection for people against repetitive stress injury—I can understand why my colleagues would not want unions, or any kind of organization that represents workers, communicating with those workers.

This is a gag rule amendment. That is what this is about. Basically, this is the issue: This amendment is all about going after a democratic, with a small ''d''—may I please make that distinction—a democratic institution, with a small ''d,'' and denying that associational democratic institution the right to represent and serve its members.

What my colleagues are worried about, what this amendment is a reflection of, is the concern of some of my colleagues that this particular democratic organization, with a small ''d''—a union, or it can be any organization—will be able to serve its members.

Frankly, we in the Senate ought to be for all democratic, with a small ''d,'' associational organizations, and we should be all about supporting their rights to serve their members, not trying to gag them, trying to block communication. My colleagues are so worried that these associations and these organizations of people who do not give the millions of dollars will be able to, God forbid, be involved in voter registration activity, get-out-the-vote efforts, internal communication, and grassroots politics.

This is the ultimate anti grassroots politics, anti association, anti group and organization, anti rank-and-file member, anti people communicating with one another, anti people without the big bucks through their association being able to have some power and some say and some clout in American politics.

This amendment should be roundly defeated.

I yield the floor.

Mr. CORZINE. Mr. President, I rise today in strong opposition to the so-called paycheck protection amendment. This proposal, in my view, is little more than a thinly veiled attack on organized labor, and an attempt to undermine genuine campaign finance reform.

The effect of this amendment would be to bury unions in a morass of bureaucratic red tape, and severely impede their ability to represent their membership. It would push unions further to the periphery of the political process, and hurt the working men and women they represent. It also may well be unconstitutional.

Every day, associations and other organizations representing everything from chocolate manufacturers to retired people come to Capitol Hill to advocate for their members. These organizations use a variety of mechanisms to decide how they spend their money. Some give broad authority to their D.C. representatives. Others centralize authority with their president. Others operate through special boards or committees.

It is not Congress's business to dictate to these organizations how they make their internal spending decisions. That is their business. And that is how it should be.

But this amendment says that it is our business as politicians to tell unions how to make their internal spending decisions. The obvious intent is to harm unions' ability to function effectively in the political process. This doesn't just discriminate unfairly against unions. It undercuts their constitutional rights of free association and of free speech.

As a result of the 1988 Beck case, all workers can already opt out of paying union dues. They can choose not to be in the union and to pay a fee that only covers costs associated with contract management and collective bargaining. No worker is forced to join the union. Therefore, no worker is forced to cover costs associated with political activities. And, I would add, the underlying legislation includes a provision that makes this very clear.

In reality, this amendment is a deliberate attempt to undermine one of the key purposes of unions, advocating for their members not only with management, but with elected officials. The amendment goes well beyond what the Supreme Court required in the Beck decision. It would require union members to affirmatively agree to set aside a portion of their dues for political activities. And then it would require period reports spelling out details of those activities.

These requirements would impose significant costs on unions and limit their ability to participate in the political process.

It is important to remember that unions are democratic institutions. Decisions are made by majority vote or by duly elected representatives. Moreover, as I said earlier, nobody is forced to join a union. If you decide to join, as with other voluntary organizations, you accept the democratic decisionmaking process.

It is absurd to join the NRA and ask that no funds be used for political activities. You cannot pay a reduced fee to simply receive American Rifleman magazine. And you cannot join the Sierra Club just for the tote bag. Similarly, political activities are a fundamental feature of a union's operations.

Unions were formed in the first place to reduce the historic imbalance between workers and management, between most Americans and powerful, entrenched interests. By coming together, working families have an influential voice, and nowhere is the voice of labor unions more important than in the political arena. This amendment would, in effect, silence that voice, and in the process silence millions of working families.

If we believe in the constitution right to free association, we cannot support this amendment. If we believe in the rights of working families to be heard, we cannot support this amendment. And if we believe in fundamental and equitable campaign finance reform, we cannot support this amendment.

Mr. DODD. Mr. President, we have many Members desiring to be heard. I want to make sure I accommodate everyone who wants to be heard.

I yield to my colleague from Massachusetts for 5 minutes.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Massachusetts is recognized for up to 5 minutes.

Mr. KERRY. Mr. President, I thank my colleague.

The impact of this amendment and the fundamental unfairness of it are so obvious and so patently clear. What this tries to achieve doesn't necessitate a raising of voices or even an angry response, although I think there are plenty of Members who feel offended by what it seeks to do.

The purpose of this McCain-Feingold legislation is to try to create a fair playing field. ''Fair'' is not a word we hear a lot applied to the standards which our colleagues on the other side seem to seek in this. But ''fair'' means you try to achieve parity to the best degree possible between both sides' potential supporters, those who give to us.

What is extraordinary to me is what is being sought here is effectively the silencing of the capacity of organized labor to be able to participate with a fig leaf, a pretense about corporate responsibility and shareholder obligations. There is nothing in the terminology of the legislation in the way it has been set forth that actually creates any equality at all between shareholders and union members who, I might add, are a completely different concept altogether. After all, I think it is understood there are certain laws that apply to unions—to union participation, the Beck law, to the rights of union members, to union democracy, election of leaders, the way in which they participate—which are completely different from the role of shareholders and the way shareholders participate.

More importantly, look at the basic numbers. Corporations outspent unions in political activities in the last election 15–1. Even if you accept the argument of some Republicans that unions tend to predominantly be supportive of Democrats, which might incidentally illicit some thinking on their part about why it is that happens, but with ergonomics in the past week and other attacks, I think we can understand that differential, but even if you were to split the corporate contributions—because some corporations do, indeed, also give to Democrats—and you took only 8–1 or 7–1, you are looking at a level of expenditure that so far outstrips the participation of unions that the real objection of some of our colleagues is not the money; it is the fact that people, voters, actually go out and get engaged in the system in a way that shareholders don't.

What they are trying to do is legislatively strip away the capacity of those people to be able to participate to the full extent of our democratic process.

The Supreme Court of the United States made it clear in Communication Workers of America v. Beck—in the Beck decision—when it said that unions can't, over the objection of a dues-paying nonmember employee, spend funds collected from those activities unrelated to collective bargaining. They cannot use that money in politics already.

That decision has been properly codified in this legislation by Senators MCCAIN and FEINGOLD. Here we are codifying Beck and restricting the capacity of the nonmember employee, dues-paying employee. What the legislation seeks to do in reading several sections of it, sections (B), (C), and (D) of section 1, is show it is specifically targeted to internal and external communications relating to specific candidates. That is the kind of communication that takes place in the union. It doesn't take place among shareholders.

Internal disbursements, to operate and solicit contributions—likewise, not a shareholder participation.

Voter registration drive, et cetera.

What it specifically seeks to do is restrain those activities which our colleagues don't like because they are participating in the process, and it doesn't achieve parity with the corporate sector—and, I might add, places a burden on the corporate process, which is absolutely not workable.

I don't see how it is possible for corporations to make the kinds of divisions that are called upon in this legislation. It would require a constant tracking of new shareholders, a constant recalculation of their ownership stakes. Shares are traded daily on the stock market. Corporations would have to collect and process spending authorization from those daily changing shareholders. And, finally, the corporations would have to pay additional dividends or other financial benefits to shareholders who refuse to authorize corporate and political legislative spending.

It is completely unworkable on the corporate side, but it is not meant to be workable. It is clearly meant to be a restraint on the capacity of a voluntary association under the Constitution to be able to participate in the electoral process in a way not denied to any number of other groups in our country.

I think our colleagues ought to join together because this is an amendment calculated to try to undo the McCain-Feingold concept, and particularly calculated to establish a playing field that is not level.

Mr. DODD. I yield 5 minutes to my colleague from Wisconsin.

Mr. FEINGOLD. Mr. President, the President of the United States, President Bush, issued a statement with regard to campaign finance reform indicating he is committed to working with the Congress to ensure that fair and balanced campaign finance reform legislation is enacted. He specifically referred to a desire to have a balance between unions and corporations in the United States.

Apparently Senator HATCH's amendment is an attempt to do that. But as has been effectively pointed out by Senator LEVIN, it doesn't accomplish that. It isn't balanced. It isn't parity. The distinguished Senator from Massachusetts pointed out when it comes to the balance between unions and business in the country, this amendment doesn't even apply to 99.7 percent of the businesses in the country.

It is an interesting technique to talk about balance between unions and corporations but not include many other kinds of organizations as well.

What is even more troubling is the point made by the Senators from Michigan and Massachusetts. The definition of ''political activity'' is by no means balanced between what corporations do and unions do. This needs to be reiterated. There are four kinds of

activity listed. Two of the activities are activities in which at least at this point only unions participate, and a third is defined in a circular way which means that it probably doesn't apply to the kind of disbursements for television or radio that corporations do. The fourth activity refers only to express advocacy, which unions and corporations can only do through their PACs.

The Senator from Michigan has it right. He said it is purely paper parity between corporations and unions. What he said is not only alliterative, it is dead right. This amendment is purely paper parity.

Even the President of the United States' principles and desire that we create a balance between unions and corporations are not achieved by the Hatch amendment.

I compliment the Senator from Utah for attempting to do this. On its face, the amendment is not as one-sided as some that have been offered in the past. For example, one previous amendment on this subject said that any union or corporation that charges its members dues is covered by the provision. But, of course, no corporation in America charges dues.

Nonetheless, let's be serious. Is there anybody in this body who really believes that this provision will actually work? This amendment supposedly would require every corporation in America to get the permission of its shareholders before it spends money for political activities. That is ludicrous. Corporations have millions of shareholders. Their identity changes every day. The Senator from Massachusetts made this very clear—how could you possibly do this? Billions of shares of stock change hands each week—billions. Apparently, it would be necessary to get the permission of every shareholder.

What about people who own shares in corporations through mutual funds? How are their rights protected? Actually the amendment says that ''without the separate, prior, written voluntary authorization of a stockholder, it shall be unlawful for any corporation described in this section to use funds from its general treasury for the purpose of political activity.'' So perhaps this provision only requires corporations to get the permission of one stockholder.

But if that is what it means, if it does not apply to billions of stockholders, which would be unworkable, and only requires the consent of one stockholder, it would be a sham like the earlier proposals.

I take the Senator from Utah at his word, that he is trying to be even-handed, trying to cover unions and corporations equally. But if his proposal actually works, the Senator from Utah has singlehandedly rewritten the law of corporations in this amendment. Corporate shareholders generally have little ability to influence corporate policy and practices. The officers and directors of a corporation do that, and they are responsible and have a legal duty to their shareholders to do it. If this amendment actually works—and I am very skeptical that it does—then before this vote, corporate America should be descending on this body en masse within an hour or so.

Lots of representatives of corporate America oppose this bill now, but if this bill passes, every corporation in America will oppose it. This provision would be a disaster for corporations if it works in that way.

Aside from the problems with this amendment that the other speakers have very well pointed out, our Beck provision addresses the issue of the use of union dues for political purposes. The real problem with this amendment is that this is a poison pill to this bill. It fits the definition of a poison pill to a tee.

If this amendment passes, reform is dead. I am confident that we will defeat it despite the herculean efforts of the Senator from Utah to cover corporations and unions equally because a sugar-coated poison pill is still a poison pill. When the sugar wears off, and it will wear off pretty quickly on this amendment, as we have seen, the poison underneath will kill this bill.

It is essential for the sake of this campaign finance reform effort that this amendment be tabled.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, the arguments about the mechanics of the Hatch amendment are a sham. The Securities and Exchange Commission has managed to figure out ways to determine who is a shareholder and when, so that shareholders can be sent annual statements and proxies. Regulators are quite capable of handling these issues.

There has been mentioned on the floor, ''the appearance of corruption.'' Let me ask a question. Why does it create the appearance of corruption for a union or citizen group to run an ad criticizing our voting records around election time, such that it justifies regulation under the Snowe-Jeffords language that is in the underlying McCain-Feingold bill, but it does not create the appearance of corruption of the process for that same soft money from advocacy groups and unions to be used for phone banks, leaflets, mailings, and other things designed to criticize candidates and influence elections?

This is absurd. Remember when you hear the words ''poison pill,'' you know it is an amendment that may have some impact on organized labor.

It has been suggested by the sponsors and others that the Beck decision, which of course applied to nonunion members working in union shops, was codified in the underlying McCain-Feingold bill.

I have a statement from the lawyer who represented Mr. Beck in that case, dated January 30 of this year. He said:

I have reviewed section 304. As one of the attorneys for the nonmembers in Beck, and objecting nonmembers in several cases following Beck, I can assure you that section 304 of McCain-Feingold-Cochran does not codify Beck. It would gut Beck.

The federal courts and the National Labor Relations Board (''NLRB'') now both have jurisdiction over claims of misuse of compulsory dues for political and other nonbargaining purposes. The jurisdiction is concurrent, because such claims are claims for breach of the ''judicially created duty of fair representation'' owed to workers by their exclusive bargaining agents . . .

The Lawyer goes on:

However, section 304 of McCain-Feingold-Cochran would amend section 8 of the NLRA expressly to make it an unfair labor practice for a union to ''not to establish and implement [an] objection procedure'' by which nonmembers compelled to pay dues as a condition of employment can obtain a reduction in their dues for ''expenditures supporting political activities unrelated to collective bargaining.''

If this amendment to the NLRA becomes law, then the courts are likely to hold that Congress intended to oust the courts of jurisdiction to enforce the prohibition on such spending.[5] That would leave individual workers with no effective means of enforcing their Beck rights, as history demonstrates . . .

Further in the statement the lawyer points out:

Many Beck cases do not even make it to the Board, because the NLRB's General counsel does not prosecute them vigorously. According to the National Right to Work Legal Defense Foundation's Staff Attorneys, who have represented most employees who have filed Beck charges with the Board, the General Counsel has settled many Beck charges with no real relief for the charging employees. The Board's Regional Directors have refused to issue complaints on and dismissed many other charges at the direction of the General Counsel. No appeal from a dismissal of a charge is possible, because the General Counsel has ''unreviewable discretion to refuse to institute unfair labor practice proceedings.'' . . .

The Lawyer continues:

Thus, by vesting Beck-enforcement authority in the NLRB, the McCain-Feingold-Cochran amendment to the NLRA would leave no real remedy available to objecting employees who wish to bring Beck claims that a union's spending of compulsory dues or fees, or its objection procedure, breaches the duty of fair representation.

Section 304 of McCain-Feingold-Cochran, if it becomes law, would legislatively overrule almost 40 years of decisions of the United States Supreme Court concerning what union activities objecting nonmembers may be compelled to subsidize . . .

Far from codifying Beck, this underlying bill basically neutralizes Beck.

Section 304 of McCain-Feingold-Cochran purports to limit the use of compulsory union dues and fees. In fact, it is craftily drafted to overrule the Supreme court's interpretation of the federal labor laws and sanction the use, now prohibited, of compulsory dues and fees for a broad range of political, ideological and other non-bargaining purposes.

Section 304 effectively would overrule the Court's decisions in Ellis and Beck for employees forced under the NLRA to pay union dues and fees to keep their jobs, because section 304 does not prohibit the use of compulsory dues for all activities unnecessary to the performance of a union's duties as the exclusive bargaining agent for the objecting

employees' bargaining unit. Rather, section 304 prohibits the use of compulsory union dues only for ''political activities unrelated to collective bargaining.'' Section 304, if enacted, thus would permit the use of compulsory funds for union organizing, litigation not concerning the nonmembers' bargaining unit, and the portions of union publications that discuss those subjects, uses now prohibited under Ellis and Beck.

Even worse, section 304 would repudiate the 1961 decision in Street that no political and ideological activities may be subsidized with compulsory dues and fees. Section 304 would not prohibit the use of compulsory funds for all political activities, but only ''political activities unrelated to collective bargaining,'' which it defines as only ''expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.'' (Emphasis added.) This definition would not prohibit the use of compulsory dues and fees for political party activities not in connection with an election, lobbying on judicial and executive branch appointments, campaigning for and against ballot propositions, and publications and public relations activities on political and ideological issues not directed to specific legislation. Moreover, because most legislation on which unions lobby could be said to be ''related to collective bargaining,'' the McCain-Feingold amendment would effectively prohibit the use of compulsory dues and fees only for and against candidates for public office . . .

Mr. President, you get the drift. Beck is effectively repealed by the underlying McCain-Feingold legislation.

I do not know how many more speakers we have.

How much time do I have remaining?

The PRESIDING OFFICER. Eight minutes. The other side has 29 minutes.

Mr. MCCONNELL. I reserve the remainder of my time.

Mr. DODD. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

How much time remains for the opponents?

The PRESIDING OFFICER. The opponents have 29 minutes remaining.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank the Senator from Connecticut.

Mr. President, I rise to oppose the amendment of my friend Senator HATCH on so-called ''paycheck protection.''

All of us know the purpose of this amendment. It is, quite simply, to kill McCain-Feingold, pure and simple.

The proponents of this amendment won't vote in favor of McCain-Feingold. They just want to diminish the number of Democrats voting for McCain-Feingold and thereby have it fail.

In reality, the actual reason for this amendment is simply to end campaign finance reform as we know it today.

If the proponents of this amendment wanted to move the issue forward, they wouldn't do it as part of campaign finance because this amendment has absolutely nothing to do with campaign finance.

This amendment is about the way unions and corporations govern themselves, a subject we should debate separately.

I ask those who are proponents of this amendment if their goal is not to kill the underlying bill, they should then withdraw the amendment and move it forward in the appropriate committees as part of corporate governance and governance of labor unions.

Let us be clear about the actual substance. It is, as many have already said on other occasions, ''paycheck deception'' to claim that union members get railroaded into paying for speech with which they disagree.

In reality, all of us know people are not forced to join unions. Unions are voluntary associations that members are free to quit the second they disagree with the union's political activities.

That is the essential freedom. If the freedom went any further, we would have no voluntary organizations in America, and we probably wouldn't have a democracy.

To say that people are coerced by an organization that they can quit at any moment because they do not get the majority vote, there would be strong objection to any legislative body, including this one, as there would be to unions.

Even those who quit, of course, would be represented by the union by paying agency fees.

For that reason, the first amendment argument advanced by the proponents of this amendment is, quite frankly, a red herring.

There are people in this country and in this body who just do not like unions. So they argue with the structure of the union, and the very same structure of an organization that they like, they don't argue with at all.

The first amendment rights of members are not transgressed when unions engage in political activity because they chose to associate themselves with the speech. It's that simple.

Moreover, unions are democratic organizations.

Our friends on the other side of the aisle would have you believe that union bosses are making unilateral decisions in smoke-filled rooms that flout the will of their members and stifle their first amendment rights.

That very argument has been made by Communists and fascists about this body and about our democracy. They vote. They set their own dues. Not everybody gets his or her way because a majority vote prevails.

It makes no sense to castigate unions for engaging in the same majority rule upon which our country is founded. I argue that the reason we hear this argument is not because of any greater devotion to democracy but because of dislike and even hatred of unions. How dare these union organizations force employers to pay more than the employer wants to pay. But, my colleagues, that argument went out if not in the 1890s, in the 1930s.

We all know union members elect their own leaders, and they set their own dues. Not every member of the union is satisfied with the election. In almost every vote we take here not every Member is satisfied with the outcome of the vote.

If the union wants to change leaders and lower their dues to foreclose political expression, they are, of course, free to do so.

That they have not done that on the whole is an indication that members' free speech rights are not being violated in the wholesale way alleged by our friends on the other side.

Now, the sponsor of this amendment has commendably made the attempt—unlike some past versions of this—to include at least publicly held corporations.

For one thing, I do not hear the venom directed at publicly held corporations that make decisions and spend their money on ads when certain shareholders disagree with those decisions. Shareholders can go to the corporate meeting, voice their objections, and they probably have even less chance as an individual union member of changing things.

We do not hear that kind of vehemence and even venom. But the argument for union democracy is probably greater than that of corporate democracy.

Shares in corporations are alienable and change hands in virtually instantaneous transactions millions of times each day.

To pretend that shareholders who buy and sell their shares so readily are analogous to members for the purpose of consenting to political speech is just not a serious argument.

That is why it just isn't workable to try to include corporations, and why, my colleagues, this is just an anti-union measure from start to finish that should be debated in the Health, Education and Labor Committee and put to its proper death.

Incidentally, also, other associations similar to labor unions, such as the Chamber of Commerce, aren't covered by this amendment.

In sum, I urge Members to vote against this amendment and see it for what it is—a poison pill that has nothing to do with union members' rights but everything to do with defeating campaign finance reform.

I thank my colleague and yield back the time I may have remaining.

Mr. DODD. Mr. President, I know my colleague from Oklahoma wishes to be heard. I want to take a couple of minutes. I will be glad to give him whatever time he needs. I would like to reserve 4 minutes at the end of the debate.

How much time remains?

The PRESIDING OFFICER. A little over 21 minutes.

Mr. DODD. I will take about 5 minutes. My colleague from Oklahoma wants 5 or so minutes, if he would like, and others may show up. I would like

to reserve the last 4 minutes to share some of that time with my colleague from Kentucky, if he needs it, or anyone else who may come over.

Senator SCHUMER from New York made a very compelling and sound argument against this amendment.

First of all, I know it is something Members do with great frequency. If you read this amendment, it is terribly complicated. It almost seems to be a flawed amendment. I get the thrust of what I think the Senator from Utah wants to do, but I am not sure, even if it were adopted, it achieves the results that he desires with the language he has crafted. It is rather complicated. In fact, the modification that the Senator from Utah made may even complicate it further, as I read it.

Just on a first blush, if you look at this, the amendment itself probably should be recrafted in a way. So it ought to be rejected merely on technical grounds.

Even for those who may support what he wants to do, I do not believe this amendment does what the author claims. For those of us who disagree with the intent of the amendment, there are deeper reasons why this amendment ought to be rejected. First, there is no parity. That is what my colleague from New York was suggesting. Whether people like unions or not, they are democratic institutions. There are laws which govern how union officials are elected. They may not always perfect elections. There have been some highly flawed elections. Recently, we went through one nationally where there was great controversy of one particular international union. Members of that union protested loudly over how that election was conducted.

But, fundamentally, they are democratic institutions where the members get to decide a number of things. They decide whether or not to form a union. They decide who their officials will be by secret ballot. They have rights to access of information about union finances and operations. Under the law, they are required to have that access. Union rules are applied on an equal basis. Now, there are problems that occur in the breach, but the law requires it.

If you change the word from ''union'' to ''corporation,'' the workers in a corporation do not have the right to organize themselves per se. They do not elect their officials, the management team. Access to information of finances is not legally required to be made available to all the employees. The rules apply differently than from unions. Corporations are hierarchical structures. They could not function otherwise. I am not suggesting it ought to be, but to suggest that unions and corporations are sort of parallel organizations is to fly in the face of factually what exists.

So there is a significant difference between how a union is organized, how it functions, and how a corporation functions. Despite, again, what my colleagues have said, there are 21 States in this country where people who are nonunion members still get the benefits of what unions are collectively able to bargain for. Nonunion members get a free ride on the coattails of collective bargaining agreements in 21 States in this country.

Further, there are laws in place to ensure that nonmembers in the 29 free-bargaining States can confine their payments to what is directly related to collective bargaining, contract administration. That is in 29 States in this country.

There have been a bunch of different States that have tried to do what the Senator from Utah wants to do. Every one of these States rejected it. Only one has it—ironically, the State of Utah—and that State has not made a determination yet as to whether or not this paycheck deception, as I call it, is going to become the law of the land.

Our colleagues in the State legislative bodies have rejected this. The courts have rejected this as being unconstitutional as well.

Unions are the only member organizations that have to give their members the option of receiving all the economic benefits of membership whether they are actually members. So whether one likes unions or does not like them, there is a fundamental difference. To suggest somehow we are going to achieve parity, that is not the case.

On the issue of shareholders, despite the fact there has been a tremendous and healthy explosion of involvement by average citizens purchasing stocks in America in the last 10 years—While I do not have the exact percentage today of Americans who own stock, own a piece of equity in American business, I would estimate it to be approximately around 70 percent. It is a wonderful, new statistic in terms of people's participation economically in their own independence. But a substantial part of stock that has been purchased is purchased through mutual funds. There are individual buyers, but a lot of it is done through large investors or larger conglomerates, if you will.

However, when you start breaking this out and start to decide how a shareholder would vote on whether or not corporate funds ought to be used for political activities—I do not think I have to say much more—you are entering a morass of problems on how you divide the percentages of corporate equity based on a corporation's political involvement. You are literally putting a sign around almost every corporation's neck saying: Indict me. Because I do not know how you do it without getting yourself into trouble.

It seems to me, this bill is a step in the wrong direction. In a bill where we are trying to reduce the amount of money, the proliferation of soft-money dollars, in politics, to try, all of a sudden, to engage in a debate that is unworkable, and as the amendment is currently crafted, it is unworkable—and even if it were well crafted—I think this is fundamentally a step in the wrong direction and does not further the overall goals of this bill.

My colleague from New York said it well. If corporate America thought this amendment was going to be adopted, it would be banging down the Senate doors. The idea that they should be treated exactly like unions is not something that corporate America would welcome.

Here make no mistake, again there appears to be a lot of animosity here, a lot of venom, a lot of anger over the fact that organized labor fights on behalf of their people. They fight for a Patients' Bill of Rights. They fight for prescription drug benefits. They fight for a minimum wage increase. They fight to improve the quality of education. Make no mistake, there are people who disagree with them. And they wish the unions would just be quiet and go away and stop speaking out on these issues and stop getting themselves involved in the political life of America. I appreciate their desire to have that occur, but that is not right. It is not how America functions. It is not what we ought to codify as new law.

Whatever else one thinks about McCain-Feingold—and despite the fact I agree with my colleague from Wisconsin, if this amendment were adopted, it would virtually act as a ''poison pill'' and kill this bill. To the extent people are interested in campaign finance reform, the adoption of this amendment would, for all practical purposes, destroy the fine effort that has been waged by the Senator from Arizona and the Senator from Wisconsin to achieve campaign finance reform.

If this amendment were adopted, aside from that issue, it would be a major setback, in my view, for millions and millions of working people in this country who want their voices heard, want the issues they care about to be on the table when politics is being discussed and candidacies are being decided.

For those reasons, and others brought up today, I respectfully say to my friend from Utah that this amendment would be more properly withdrawn for the reasons I said at the very outset of the discussion. Notwithstanding all of the above, the amendment ought to be defeated. And I urge my colleagues to do so when the vote occurs.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, it is with some regret I rise in opposition to this amendment. I tell my friend and colleague from Connecticut, I happen to agree with him on the portions of his debate alluding to the corporate side of this, trying to say that stockholders would give approval—for the information of the Parliamentarian, I

am on the time of the Senator from Connecticut. I see the Parliamentarian is having a hard time deciphering that. I am not often on the side of my friend from Connecticut, but at this time I will use his 5 minutes.

Mr. DODD. Mr. President, I hope the world notes and records this moment. I thank my colleague.

The PRESIDING OFFICER. For the record, the Senator from Connecticut wants to be notified when there are 4 minutes remaining?

Mr. DODD. I think my colleague said he needs 5 minutes. I will give him 10 minutes. If he uses less, let me know.

The PRESIDING OFFICER. There are 12 minutes left.

Mr. DODD. Better make it 8.

Mr. NICKLES. I will do that.

Mr. President, I mention to my friend from Connecticut, I happen to agree with him. The corporate side of this would not work. I read the language. It is the second time today I have read the language. The other time I read the language was in relation to the amendment dealing with broadcasting.

All of a sudden we are giving gifts to politicians to the tune of—if you are from a large State, such as New York, New Jersey, or California, the previous amendment gave a gift to politicians in the millions of dollars. And that was in the language. The language in this amendment, regretfully—I have the greatest respect for my colleague from Utah, but I do not think the corporate side is workable.

I heard people say: We want to have voluntary campaign contributions that should apply to the unions and businesses. But no one is compelled to be a stockholder.

My friend from Connecticut mentioned, you may happen to own a mutual fund. This is absolutely impossible to enforce. But I also say there is a big difference between stockholders and employees. And the reason why we called the original one paycheck protection is because unions are actually taking money away from individuals on a monthly basis many times to the tune of $20 or $30 a month, and in 29 States, in many cases, taking away that money without their approval. Oh, they may not join the union, but they still have to pay agency dues, agency fees.

A lot of that money is used for political purposes. That part of the amendment I happen to agree with wholeheartedly. That is the amendment I wish we were voting on, not this one that confuses corporate, where you have to get shareholders' approval, who voluntarily purchase stock, because that is not workable.

It is workable to say, before you take money out of a worker's paycheck to the tune of $25 a month, if that individual does not want their money to be used—maybe $5, $10, $15 a month—for political purposes, they should have a veto. They should be able to say: No, don't take my money.

No one should be compelled to contribute to a campaign in the year 2001 in the United States. Yet we have millions of Americans who are given no choice. Some people have said this is a killer amendment, that it is a poison pill to kill the bill. I disagree wholeheartedly. I was a principal sponsor of that original paycheck protection amendment. I still am. I believe very strongly no one should be compelled to contribute to a campaign against their will, period. We want to encourage participation. We don't want to mandate it. We don't want to take money away from an individual, use it in a way they don't like, and then say: If you want to, you might file for a refund.

That is the Beck decision. I think we should strike the Beck provision. I agree entirely with the Senator from Kentucky. The Beck provision in the underlying bill is a fraud. It should not be in there. It doesn't protect workers; it doesn't codify Beck. It dilutes it, if it does not totally eviscerate it. It needs to be deleted. We will wrestle with that amendment later. I don't want to confuse the two.

Paycheck protection is important. It is important for those millions of workers in 29 States that are compelled to join a union. If they object to the union and resign their membership in the union, they still have to pay agency fees. Agency fees can be in excess of $20 a month. Much of that money, maybe half, maybe more, is used for political purposes against their will. Those hard earned dollars may be used for political purposes maybe they don't agree with, money that goes to candidates campaigning against a tax cut, maybe campaigning to take away their right to own firearms, maybe very liberal positions with which they don't agree.

You might ask: Where did Paycheck Protection come from? I began this fight because an American Airlines union member came up to me and said that his money was being used for political purposes that he was against it, totally, and he couldn't do anything about it. I told him I would try to help him. I told him I will try to pass legislation to have voluntary campaign contributions for everybody in America. That shouldn't be too much to ask for. That is the genesis of paycheck protection.

I hope maybe we will have a chance to vote on that. I hope we will find out, are people really for voluntary campaign contributions. Unfortunately, the amendment we have before us does much more than make a campaign contributions voluntary. So maybe at a later point in the debate—we still have a week and a half left—maybe we can vote on voluntary campaign contributions. That is this Senator's purpose.

For someone to say this is a poison pill because organized labor doesn't want it is nonsense, do we should just give a special interest a blank check—do we let them veto anything that we present on the floor of the Senate? I don't think so. Organized labor forcibly confiscates hundreds of millions of dollars for political purposes. Organized labor put in at least $300 to $500 million in the last campaign cycle. That is a lot of money. Let them participate, but it just should all be done with voluntary campaign contributions.

Likewise, if businesses are raising money for political action committees, that should all be done on a voluntary basis. Nobody should be compelled to contribute to a campaign in the year 2001.

I hope we will have a chance to vote on paycheck protection, voluntary campaign contributions for all Americans. I do believe that the language that deals with the corporate side of this is not workable and does not have anything to do with voluntary campaign contributions. I say that with great regret because I have the greatest respect for my colleague from Utah.

I also want to address one other issue very quickly. That is the issue with Beck. My friend from Kentucky mentioned that the Beck language in the underlying bill needs to be taken out. I agree wholeheartedly. I hope we will have bipartisan support. People who said they wanted to codify the Beck decision, this does not codify it, it changes it, changes it dramatically. To me, that is not right. I don't think it is right for us to say verbally it codifies Beck when it takes worker protections and actually guts the Beck decision. I hope that at a later point, not to confuse it with this amendment, but at a later point my colleagues will join those of us who would like to see that language removed from the underlying bill.

I thank my friend and colleague from Connecticut for the time and also my friend and colleague from Kentucky who I think has handled this bill quite well.

The PRESIDING OFFICER. There are 7 minutes 23 seconds remaining for the proponents, and 6 and a half minutes for the opponents.

The Senator from Kentucky.

Mr. MCCONNELL. Before the Senator from Oklahoma leaves the floor, I want him to know he has our great admiration. He is the one who thought of paycheck protection. He outlined the history of it a few moments ago. I understand we will not have his vote on this offering because, as he knows, we were trying to meet the objections of some of those on the other side who have said for years: You ought to apply it to corporations as well as unions. We did that. It looks as though we are not going to get any of their votes anyway.

I do credit the Senator from Oklahoma. This is his piece of work originally. I hope at some point in the debate he will offer the amendment without the corporate provision. I certainly would vote for it. I think many Members would. It deals with a very real problem in the American political system.

I think we are essentially through with the debate, I say to my friend from Connecticut.

Mr. DODD. If my colleague will yield, we are prepared to yield back whatever time we have remaining. If that would be the case, then I think a motion to table would be made, and we could move on.

Mr. MCCONNELL. I yield back the time on this side.

Mr. DODD. I yield back our time as well.

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

The Senator from Arizona.

Mr. MCCAIN. Mr. President, I move to table amendment No. 134, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 69, nays 31, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—69

Akaka	Domenici	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	McCain
Bingaman	Ensign	Mikulski
Boxer	Feingold	Miller
Breaux	Feinstein	Murray
Byrd	Fitzgerald	Nelson (FL)
Campbell	Graham	Nelson (NE)
Cantwell	Hagel	Nickles
Carnahan	Harkin	Reed
Carper	Hollings	Reid
Chafee	Hutchinson	Rockefeller
Cleland	Hutchison	Sarbanes
Clinton	Inhofe	Schumer
Cochran	Inouye	Snowe
Collins	Jeffords	Specter
Conrad	Johnson	Stabenow
Corzine	Kennedy	Stevens
Daschle	Kerry	Thompson
Dayton	Kohl	Torricelli
DeWine	Landrieu	Wellstone
Dodd	Leahy	Wyden

NAYS—31

Allard	Gramm	Santorum
Allen	Grassley	Sessions
Bennett	Gregg	Shelby
Bond	Hatch	Smith (NH)
Brownback	Helms	Smith (OR)
Bunning	Kyl	Thomas
Burns	Lott	Thurmond
Craig	Lugar	Voinovich
Crapo	McConnell	Warner
Enzi	Murkowski	
Frist	Roberts	

This motion was agreed to.

Mr. DODD. I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. MCCONNELL. I ask unanimous consent, following the debate tonight on the pending Hatch amendment, the Senate then resume consideration of the amendment beginning at 9 o'clock in the morning, and there be 30 minutes of debate remaining, equally divided, in the usual form. Finally, I ask consent that following the use or yielding back of time, the Senate proceed to a vote on or in relation to the amendment.

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

AMENDMENT NO. 136

Mr. HATCH. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 136.

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

Mr. KENNEDY. Reserving the right to object—I don't intend to object—does the Senator have copies of the amendment?

Mr. HATCH. I understand your side has copies.

Mr. DODD. I say to my colleague, there is a copy we can get.

Mr. KENNEDY. I have a copy.

The PRESIDING OFFICER. Is there objection to the dispensing of the reading of the amendment?

Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To add a provision to require disclosure to shareholders and members regarding use of funds for political activities)

On page 37, between lines 14 and 15, and insert the following:

SEC. 305. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by inserting after section 304 the following:

"SEC. 304A. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

"(a) IN GENERAL.—Any corporation or labor organization (including a separate segregated fund established and maintained by such entity) that makes a disbursement for political activity or a contribution or expenditure during an election cycle shall submit a written report for such cycle—

"(1) in the case of a corporation, to each of its shareholders; and

"(2) in the case of a labor organization, to each employee within the labor organization's bargaining unit or units;

disclosing the portion of the labor organization's income from dues, fees, and assessments or the corporation's funds that was expended directly or indirectly for political activities, contributions, and expenditures during such election cycle.

"(b) CONTENTS.—

"(1) IN GENERAL.—The report submitted under subsection (a) shall disclose information regarding the dues, fees, and assessments spent at each level of the labor organization and by each international, national, State, and local component or council, and each affiliate of the labor organization and information on funds of a corporation spent by each subsidiary of such corporation showing the amount of dues, fees, and assessments or corporate funds disbursed in the following categories:

"(A) Direct activities, such as cash contributions to candidates and committees of political parties.

"(B) Internal and external communications relating to specific candidates, political causes, and committees of political parties.

"(C) Internal disbursements by the labor organization or corporation to maintain, operate, and solicit contributions for a separate segregated fund.

"(D) Voter registration drives, State and precinct organizing on behalf of candidates and committees of political parties, and get-out-the-vote campaigns.

"(2) IDENTIFY CANDIDATE OR CAUSE.—For each of the categories of information described in a subparagraph of paragraph (1), the report shall identify the candidate for public office on whose behalf disbursements were made or the political cause or purpose for which the disbursements were made.

"(3) CONTRIBUTIONS AND EXPENDITURES.—The report under subsection (a) shall also list all contributions or expenditures made by separated segregated funds established and maintained by each labor organization or corporation.

"(c) TIME TO MAKE REPORTS.—A report required under subsection (a) shall be submitted not later than January 30 of the year beginning after the end of the election cycle that is the subject of the report.

"(d) DEFINITIONS.—In this section:

"(1) ELECTION CYCLE.—The term 'election cycle' means, with respect to an election, the period beginning on the day after the date of the previous general election for Federal office and ending on the date of the next general election for Federal office.

"(2) POLITICAL ACTIVITY.—The term 'political activity' means—

"(A) voter registration activity;

"(B) voter identification or get-out-the-vote activity;

"(C) a public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and

"(D) disbursements for television or radio broadcast time, print advertising, or polling for political activities."

Mr. HATCH. Mr. President, this amendment is simple, and straightforward. It does not attempt to codify the Beck case that we debate year-after-year on the Senate floor. There is nothing complex or legalistic about it. Frankly, like the section 527 bill we passed last year, we simply require disclosure.

This is a modest measure of fundamental fairness. It is a simple right-to-know amendment. The right of American workers and shareholders who pay dues and fees to unions and corporations that represent them, to know how their money is being spent for certain political purposes, causes, and activities. It does nothing more than require a report by labor organizations and corporations to be given to the shareholders and workers represented by unions. This shows how much of their money is being spent in the political process.

As we all know, part of the debate here has been the use of these types of money that never have to, because of the loophole in the Federal election laws, be seen on the reports or be reported by those who received benefits from union expenditures.

I have to say this amendment does not impose overly burdensome or onerous requirements on corporations or unions. This is basic information, and it should be freely provided.

I cannot believe that either union or corporate leadership has a legitimate interest in keeping secret what political causes and activities employee

dues, fees, or earnings are being spent to support. If employees or shareholders learn how their money is being spent in the political process, unions and corporations will enjoy an even greater confidence level in their decisionmaking.

On the other hand, if employees and shareholders might not like what they see, is that any reason they should not see it? Is it too onerous? No. After the numerous paperwork burdens that this Congress has freely imposed on small businesses and all taxpaying citizens, how can any of us object to ensuring that workers, teachers, janitors, electricians, and others are informed about how their dues are being spent on the most fundamental of all American activities, the political process?

I doubt anyone would suggest that unions, even at the local level, do not keep these records anyway. How else can an organization that represents employees be effective and accountable, if it does not even know how the dues and fees collected from the employees it represents are being expended?

Should we have the same requirements also be applied to corporations that give this type of information to their shareholders? There is not the same problem there, but why not, if that is what my colleagues think is fair? My amendment therefore covers not only labor unions but also corporations for this simple disclosure requirement.

This amendment represents only one simple, straightforward question: Should an employee be left in the dark on how his or her union dues and fees are being spent in the political process? This amendment is the most modest of beginning steps we can take to bring common sense or reform to our campaign laws.

Finally, let me add one more important point. Everyone knows that the corporate world represents shareholders and not individual dues-paying members. Everybody knows the corporate world does not do the collateral campaign work that the unions do with dues-paid money. It is hardly the same situation. That most likely is the reason why some of my colleagues did not vote for the preceding amendment.

But the distinguished Senator from Massachusetts has in the past raised a fair point. If we include the unions, why should we not include the corporations? These are not reporting requirements that are onerous or burdensome.

This amendment is about basic fairness, and I hope all my colleagues will support it. Basically, it allows individuals that are shareholders or members of a labor organization the right to know how their money is spent in the American electoral process.

I think this is a fair amendment, it is a decent amendment, it is fair to both sides. It just requires simple disclosure. Why not?

I yield the floor.

Mr. DODD. Mr. President, does my colleague from Arizona wish to be heard on this?

Mr. MCCAIN. I would like 3 minutes.

Mr. DODD. I yield 3 minutes to the distinguished Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank Senator HATCH for an effort to do what all of us agree is a fundamental of any campaign finance reform, and that is full and complete disclosure. I regret having to point out my opposition to this amendment because it is my understanding this full disclosure of political activity of both business and labor is defined in the basic bill under section (2) Political Activity, which says:

> The term ''political activity'' means—(A) voter registration activity; (B) voter identification or get-out-the-vote activity; (C) a public communication that refers to a fairly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and [finally] (D) disbursement for television or radio broadcast time, print advertising or polling for political activities.

The way I read this is most of these activities are conducted by labor unions and only one by corporations. So we have an imbalance here on requirements for disclosure.

There are many other things that are done by businesses and corporations that need to be disclosed as well, in my view. Very few corporate activities are involved in voter registration activities. Of course, unions are. The same thing holds for voter identification or get-out-the-vote activity. Express advocacy is clearly not something that is done a lot by businesses, nor is polling.

I assure Senator HATCH of the following: We are working with Senator SNOWE and with Senator COCHRAN and Senator COLLINS, and we are trying to come up with a fair disclosure amendment that will give greater disclosure than is presently in the bill but in a more fair and balanced way.

I will have to oppose this amendment on the grounds of its imbalance. The one thing we promised everybody when we proposed this legislation was we would resist any attempt to pass an amendment that would unbalance what we had put forward as a level playing field. This would imbalance that. I believe we can have all of those items fully disclosed, and more, so observers will say this full disclosure, this light, will shine on business and unions alike in an equal manner.

Having said that, I regret to have to oppose the amendment. I will make a motion to table at the appropriate time.

I yield the floor.

Mr. KENNEDY. Mr. President, will the Senator from Connecticut yield me 3 minutes?

Mr. DODD. I am happy to yield my colleague 5 minutes.

I thank my colleague from Arizona for his comments. We are going to meet in the morning for a half-hour debate before the final vote on this Hatch II amendment. I thank my colleague.

The Senator from Massachusetts?

Mr. KENNEDY. Mr. President, with all respect to my friend and colleague from Utah, this really is no improvement over the earlier amendment. In many respects, it just continues the differentiation by which different groups are being treated, not just the corporations and unions but other groups as well.

Again, I know my friend talked about the drafting. He doesn't need any lectures from me. But I am confused because the amendment is very unclear. It says, for example, that ''political activities'' must be reported. If you look on page 5 it has ''political activity'' defined. If you go to the term ''political activity,'' it means, if you go to line 19, ''political activity.''

So you have political activity being defined as political activity. It is really quite difficult to understand.

We all know at the present time that unions are subject to substantial reporting and disclosure requirements. I have in my hand the disclosure requirements. They are extensive. Unions have to disclose PAC funds, all payments for express advocacy, and detailed financial information. This goes far beyond what corporations today are required to report.

It is publicly available. For any of those who have a viewpoint that is the same as that of the Senator from Utah, they can just go down to the Labor Department where all these reports are on file. They are available to the public.

The case has not been made about the inadequacy of the information that is reported. We have language requiring additional disclosure in this amendment, but there has been no case that the current information is inadequate to reveal what political activities are being supported.

I think that doesn't make a great deal of sense.

This bill is not only vague, it is burdensome. As we mentioned earlier, and as Senator HATCH said during our prior colloquy, corporations would have to send reports to anyone who was a shareholder at the time of the expenditures.

We have had the chance to do the numbers. Last week alone there were more than 6 billion stockholder transactions just on the New York Stock Exchange.

Does this mean that if any of the corporations that would be included in this bill made an expenditure last week that all holders of those shares would have to be notified? The amendment says they would have to be notified of all expenditures within a 2-year election cycle. That is unwieldy. It is unworkable. It is enormously bureaucratic. It makes no sense at all.

We had a good exchange in the last debate. Many of us are troubled about what either my good friend, Senator HATCH, or others who support this amendment have against working families and the working families' agenda.

Working families want an increase in the minimum wage, a Patients' Bill of Rights, and additional funding in education. They want to make sure we have a sound and secure national security. They want Medicare and Medicaid to be enhanced. They want to improve worker training. They want to invest in continuing education and workforce training programs. I daresay that kind of a program would be worthwhile at the present time. This is what their agenda is all about.

We are probably in some form of economic crisis. And what we have from the administration is a tax bill which isn't an economic program; it is a tax bill that was basically devised over a year ago when we had entirely different economic conditions.

I think the kinds of investment that working families have advocated in terms of ensuring that we are going to invest in training programs, invest in education, invest in small business, enhance research and training, and not see further cuts in the National Science Foundation, or other cuts in the advanced technology program, makes a good deal of sense.

We hope this amendment is not accepted. In the earlier debate and discussion, we went through these and other provisions in careful detail. The amendment does seem to be one-sided, unfairly targeted, and completely unnecessary.

I think the sponsors, Senator FEINGOLD, and Senator MCCAIN, as well as Senator DODD and others, have eloquently pointed out the kind of balance and protections for the American voters that have been included in the McCain-Feingold legislation. That was carefully considered. It seems to me that we ought to stay with those proposals. I hope this amendment will not be accepted.

Mr. DODD. Mr. President, I thank my colleague from Massachusetts for his comments. I think he hit it right on the head with this.

I made comments earlier on the previous amendment offered by my good friend from Utah. He made the point. I understood the intent of what the Senator was trying to achieve. As Senator NICKLES of Oklahoma, with whom I don't normally agree on these matters, properly pointed out, you cannot carry out the intent of the amendment. Despite the desire to do so, the language of the amendment, if followed to the letter of the proposal, or even the spirit, creates a tremendously bureaucratic nightmare for both corporations and for labor organization.

I do not agree that anyone would have an interest to discourage activity at all. We want to know what is going on. Under current Federal law, labor unions are required to make various records be available and open. The records cannot be shielded or hidden. That is in violation of existing Federal law.

To suddenly add even more bureaucratic requirements for every disbursement, receipt and expenditure in every level, including affiliates, and every minor tangible office, is not in the spirit of true disclosure. This is in the spirit of discouragement from anyone participating in the process. Everyone knows we have a hard time getting more people to participate in the process as it is.

In last year's Presidential and congressional Federal elections, we had about 50 million who participated out of 101 million eligible voters in this country. It seems to me we ought to be doing better and we can do better. We lecture the world all the time about how important it is to vote. We like to think of ourselves as an example for nations that are seeking to establish democratic institutions.

It seems to me it is in our collective interest to promote that idea, and to do so by example with an environment of full disclosure, of fairness, and of equity.

But with all due respect to my friend from Utah, the adoption of this amendment is nothing more than to create unnecessary burdens on institutions that, frankly, we wish were more active in the political life of America. If they were, then in some sense through voter education efforts we might have greater voter participation.

This amendment, in my view, only adds additional unnecessary burdens to a process that already discourages too many people from participating in the public life of our Nation. For those reasons, I urge our colleagues when the vote occurs tomorrow to reject this amendment.

I think the provisions included in the bill drafted by the Senators from Arizona and Wisconsin very aptly deal with this very question of true disclosure and information. They have done so in the spirit of seeking to make people aware of what institutions are doing that involve themselves in the political life of our country.

But to add this amendment to the McCain-Feingold bill would have the opposite effect. It would not effectuate what we are trying to achieve. Our goals are to reduce the proliferation of the money in the political life of our country and to make it less costly for people to seek Federal office.

We ought to simultaneously try to reduce the amount of hurdles, burdens, and gauntlets that institutions such as corporations and labor unions have to presently meet. To add to them, to make their involvement even more difficult, I don't think is in anyone's interest, Democrats or Republicans, and certainly not in the interest of the American people.

For those reasons, I frankly urge that the amendment be withdrawn. But, if it is not going to be withdrawn, I urge my colleagues with the same expression that we saw with the previous Hatch amendment to vote with the same sense of collective voice on this particular proposal. For those reasons, I urge the rejection of this amendment.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have listened to these comments about the imbalance. McCain-Feingold is balance. It brings balance. Let me give you an illustration.

McCain-Feingold regulates what unions care about least. Think about it. It regulates get out the vote. It regulates two things: It regulates television advertisement within 60 days. It regulates radio ads for a candidate—not a party—within 60 days of a general election, or 30 days of a primary. It does do that. That is technically unconstitutional on its face. But it does do that. Television advertisements and radio advertisements are all McCain-Feingold does with regard to what the unions are interested in. These are the two things they care about least.

What they really care about and what we ought to be concerned about, if we want fairness, and if we don't want one side to have an advantage over the other, McCain-Feingold ought to cover all get out the vote activities. That is probably one of the most important things in the political process today, if not the most important thing.

Voter identification, McCain-Feingold does not do anything about that. Voter registration, nothing. Mass mailings, nothing. Phone banks, nothing; magazine advertisements, newspaper advertisements, outdoor advertising and leafleting, polling, volunteer recruitment and training, union-salaried, full-time political operatives. And look, I do not have any problem with that in the sense that unions have a right to do whatever they want to do in advancing their issues in the political process. And I would fight for their right to do that, as I have in the past. But the only people whose rights are infringed upon by the McCain-Feingold bill happen to be the Republican Party because the unions do all of this for the Democratic Party.

Mr. DODD. Will my colleague yield?

Mr. HATCH. If I could finish making my point, and then I will be happy to yield.

The unions are the principal get-out-the-vote force in the Democratic Party. Keep in mind, 40 percent of union members are Republicans, yet almost 100 percent of the money that unions raise helps get out the vote for Democrats. That does not seem like a fair process, but that is the way it is. But that money could only be hard money to the political parties, meaning they are severely hampered in getting out the vote.

No. 2, voter identification. The unions do that beautifully for Democrats. I do not know of one Republican that a union has worked for to help identify Republican voters. I am sure there is one or two, but the fact is the vast majority—almost 100 percent—of their money goes to help Democrats. That is their right. Why aren't the Democrats scared about what the McCain-Feingold bill will do to the

Democratic Party? Because the Democratic Party does not have to worry about all of this because the unions do it for them? Most of the employees of the unions are dues-paid political operatives. They are very good, the best in the business. I respect them.

Volunteer registration: The Republican Party has been limited to hard dollars—$1,000 a person—in order to get out voter registration. The unions do it for the Democrats. And, by the way, there is not one word in McCain-Feingold to regulate that, or to require the same requisite on the unions that they require on the Republican Party.

The Democratic Party can get by because the unions will do it for them. Even though they have the same rules as the Republican Party, the Republican Party does not have a group like the union movement doing get out the vote, voter identification, voter registration, mass mailings, phone banks, magazine advertisements, newspaper advertisements, outdoor advertising and leafleting, polling, volunteer recruitment and training, and a whole raft of other things, including——

Mr. DODD. Will my colleague yield on that point? That is not our fault. That is your fault. Why don't you get somebody to organize the voter registration and GOTV?

Mr. HATCH. Wait. The last point I was making was, and union-salaried, full-time political operatives.

You can say that is our fault. Let's assume that is so. The fact is, we do not have anybody doing that. It is totally unregulated. That is the guts of the political process. If we are going to regulate, let's regulate everybody, not just the parties. And the parties themselves ought to be given greater leeway than this bill gives them.

The only thing that McCain-Feingold regulates is the thing that the unions care about the least; that is, TV advertisements and radio advertisements.

Look, I give a lot of credit to the Democrats. I give a lot of credit to the unions. There is no question that is why they won the last election in the Senate and had more people elected than Republicans. Because they were getting out the vote like never before. They did voter identification like never before. They did voter registration. They did mass mailings. And they did phone banks. They did TV advertisements, radio advertisements, magazine advertisements, newspaper advertisements, outdoor advertising and leafleting, polling, volunteer recruitment and training, and had union-salaried, full-time political operatives all over this country. That is their right.

Why do we take all those rights away from the Republican Party? You can't just answer by saying that is the Republicans' fault because they are not paying the same homage to the unions that the Democrats do, and I have to say we are not, in the sense of doing everything that they want done, because not everything they want done is right.

All my amendment does is require disclosure to the union members and corporate shareholders. I am not even asking for priority in this area. I am not asking for any equality with regard to all the things the unions do for Democrats that make them not care about the parties not being able to raise soft money. The unions do it all for them, and that is all soft money.

Now, I had some strong words with my colleague from Massachusetts earlier in this debate, and they were meant in good taste and in good humor as well. But I feel strongly on this issue.

This amendment will give ordinary workers the opportunity to have a meaningful voice in how their political contributions are used. I held a union card. I understand this.

Organized labor is not a monolithic entity, but too often the leadership of these unions act in a monolithic fashion when it comes to elections.

This amendment tries to level the playing field for both unions and corporations. All it requires is disclosure.

Mr. DODD. Will my colleague yield on that point?

Mr. HATCH. Sure.

Mr. DODD. I want to point out, if I may, when you talk about the great advantage that labor has, because it does organize, it does work on voter registration, it does work on get out the vote——

Mr. HATCH. It does all these things——

Mr. DODD. If I may finish. This is not a liability and it should be applauded. The fact that corporations do not do that sort of a thing does not mean that other organizations should be condemned because they do encourage people to participate.

To make one other point regarding parity, as of October 2000, according to the Center for Responsive Politics and the Federal Election Commission, the ratio of ''total'' contributions from corporations versus unions was 15 to 1. As of October 2000, corporations had contributed more than $841 million dollars, while unions contributed just over $36 million. As of October 2000, the ratio of ''hard money'' contributions from corporations versus unions was 14 to 1. In 1998 and 1996, the ratio was 16 to 1. Between 1992 and 1998, corporate contributions increased nearly $220 million, while union contributions grew by $12.6 million. No parity in these statistics.

These ratios and statistics are according to the Federal Election Commission. You talk about disparity—16 to 1—every year, I say to my friend from Utah. Corporations have massive amounts of money, hard and soft money, they are pouring into these Federal elections.

Mr. HATCH. If I may take back the floor.

Mr. DODD. Of course you may. It is your time, Senator.

Mr. HATCH. Nowhere did they count these dues-paid political operatives. I read a report a number of years back—I think it was the Congressional Research Service, if my recollection serves me correctly—where they estimated that the unions spend about a half billion dollars—that is with a ''B''—a half billion dollars every 2 years in local, State, and Federal politics. This money is spent on dues-paid political operative activities that never show up in these figures.

Let me tell you, I am not against their right to do that. I think they should have a right to do that. I respect them. I will fight for their right to do that. The fact that it is all one-sided, even though 40 percent of union members are Republicans, I can live with that. But what I cannot live with is shutting down the party, the only way we can compete, where the unions do all these things for Democrats but nothing for Republicans.

The fact is, the Democrats will continue to count on the unions to get out their vote. But why do we have McCain-Feingold shutting down the rights of Republicans to compete to get out the vote, to have voter identification, voter registration, mass mailings, phone banks, TV advertisements, radio advertisements, magazine advertisements, newspaper advertisements, outdoor advertising and leafleting, polling, volunteer recruitment and training, and full-time political operatives?

The fact is, this is all done for Democrats. Their party does not have to do it. They can live with the hard money limitation that this bill would impose upon them. But the Republican Party would have no soft money. All this is soft money on the unions' part—all working for Democrats, all one sided. And the Republican Party does not have the same opportunities. Talk about imbalance.

Again, let's go back to what my amendment does. My amendment does not say: Stop that. You members of the unions are not allowed to do that. It does not say that at all. It does not say you can't get out the vote for Democrats, and does not say you can't do voter identification for Democrats. It does not say you can't do voter registration for Democrats. It does not say you can't do mass mailings or phone banks or TV advertisements or radio advertisements—although for those two, with the 60-day requirement, McCain-Feingold does do something; but it is unconstitutional on its face—it does not say you can't do magazine advertisements and newspaper advertisements and outdoor advertising and leafleting and polling, and volunteer recruitment and training. It does not say you can't have union-salaried, full-time political operatives—the best in the business, all over the country in every State in the Union that counts, in every large city that counts. They can do all of that.

I am not arguing against that. All my amendment says is that they need to disclose to their members something that in this computer age they can do without—

Mr. DODD. Will my colleague yield?

Mr. HATCH. If I could just finish my comments, something that they can do in this computer age without an awful lot of difficulty, and something I believe the corporate world can do without an awful lot of difficulty is provide disclosure. Tell me what is wrong with disclosure. To me, that is the only thing that will make our process more fair, more honest, more decent. Disclosure helps everyone equally to know how their money is spent. I believe that everyone should be entitled to know what political speech they are supporting. Disclosure is what honesty and fairness in politics is all about. Why would anyone fight against disclosure?

Fairness is all I am asking for. I am not asking to stop any of this. It has been admitted basically that unions do the work for the Democratic Party.

Mr. DODD. Will the Senator yield?

Mr. HATCH. They basically help the Democratic Party, and they will continue to have the right to.

Mr. DODD. Should we have with all these independent 501(c)(4)s, the National Right to Life groups, the Christian Coalition, the National Rifle Association, should there be full disclosure of every member, including all their disbursements, contributions, and expenditures? Does my colleague support that?

Mr. HATCH. You can't compare those to the unions.

Mr. DODD. Would you agree?

Mr. HATCH. I would like to answer. The National Rifle Association is made up primarily of blue-collar Democrats. In all honesty, that is why there hasn't been a lot of mouthing about gunslinging because Al Gore found in the last election that he had offended an awful lot of Democrats. I think that is why he lost West Virginia.

Mr. DODD. Should we have full disclosure?

Mr. HATCH. Not of members, but only of expenditures.

Mr. DODD. Why not of members?

Mr. HATCH. Because then you get into the NAACP, and we have already had the Supreme Court say that is unconstitutional.

Mr. DODD. Should we know who are making the contributions to these organizations that are out every day with such activities as get out the vote, voter registration, voter information, and mailings? You talk about full disclosure, why not full disclosure on these organizations?

Mr. HATCH. The Supreme Court has ruled in cases that you cannot require disclosure of membership lists. I don't personally have much problem with disclosure of moneys that have been put into the process, but not the names.

Mr. DODD. Are we going to keep that secret?

Mr. HATCH. The main case was the NAACP where one of the Southern States tried to get them to disclose their membership list and the Court said they didn't have to do. They are a legitimate organization. I am not asking the unions to disclose their membership lists either, nor am I asking corporations to disclose their shareholder lists, although anybody who looks at a corporate filing can figure that out.

If disclosure requirements applied equally to the Sierra Club, to NARAL, and to other groups, disclosure might not be a bad thing for all of them. I would not be pushing for disclosure of members in nonprofit foundations because the Supreme Court has already ruled on that. But now we are talking about real players in the political process, not peripheral organizations. The fact is, many members of the NRA are Democrats. They are just offended by some of the phony demagoging that has been done about guns through the years. They are tough on crime. That is another debate.

With regard to the right-to-life community, I have to admit that they support both sides, but they support people who are pro-life, just as the pro-choice groups support the people who are pro-choice on both sides.

Mrs. CLINTON. Will the Senator yield on this point?

Mr. HATCH. I am happy to.

Mrs. CLINTON. My good friend from Connecticut raised an issue that troubles me about this proposed amendment that the distinguished Senator from Utah has put forth.

In addition to the issues that Senator KENNEDY and Senator DODD have raised about the vagueness and definitional concerns raised in the amendment, this particular issue is the real heart of the parity problem that many of us have with this amendment.

It reminds me of the old Anatole France saying: The law is fair; neither the rich nor the poor can sleep under the bridge. What we have is an amendment that in its practice not only would fall disproportionately on unions as compared to corporations but which, under the rationale put forward by it, completely leaves out other membership groups, as the Senator from Connecticut so rightly points out.

The burdensome reporting requirements that are imposed under this amendment on unions in particular are really much more difficult to comply with than if they would be in a corporation. As I understand the amendment, corporations would be required to report only on expenditures from their own general treasuries and from the general treasuries of their subsidiaries. However, unions would be required to report on the expenditures from all of their affiliates, which would mean that a local union would be required to report on expenditures by a national union, and vice versa, even though neither of them had either access or control to the financial records of the other.

This point we heard about from Senator DODD is particularly important. If the point we are trying to get at with this amendment is to understand who is doing what with what funds to engage in political activity during election cycles, then clearly a lot of the other membership groups that raise and spend tremendous amounts of money—two were mentioned, the NRA, the Sierra Club, you can add the Chambers of Commerce, National Right to Work Foundation, other groups across the political spectrum——

Mr. HATCH. Does the Senator have a question because I think I have the right to the floor.

Mrs. CLINTON. My question would be: In response to the discussion between the Senators on this issue, how can we impose undue burdens on only unions as compared to corporations and completely leave out of the Senator's concerns all of these membership groups that raise tremendous amounts of money, are on the front lines of our political campaigns, have a direct influence on how voters vote, and yet are in no way covered by the Senator's amendment?

Mr. HATCH. Let me answer the question. The fact is, we are equal with regard to both corporations and unions. We don't include any ideological groups because when you give to the Sierra Club, you know the causes they advocate. You have a right to give. You are not forced or compelled to contribute to these organizations. But when people join unions or are forced to join unions because of the laws that we have, they are forced to pay fees to unions. Most of the union members probably don't know what the union dues are used for, especially with regard to politics or things such as an effort in 1996 to legalize marijuana in California, for instance. The Teamsters contributed $195,000 to that effort in union dues to support that effort. How many working families want their hard-earned money to be used for marijuana legalization? I think that they have a right to know this kind of information.

Disclosing expenditures is constitutionally different from disclosing contributors to ideological groups which the Supreme Court has said we should not do. Disclosing expenditures does not implicate free association. It is important to differentiate between expenditures and contributors. The difference is, union members are forced to pay dues.

Mr. DODD. If my colleague will yield, we disagree so fundamentally on that.

Mr. HATCH. Let me restate that.

Mr. DODD. That is not true.

Mr. HATCH. It is true in nonright-to-work States. People are forced to join the union and forced to pay dues. They don't have to stay in the union, I agree. They can quit if they give up their jobs.

Mr. DODD. Nor are they required to contribute union dues. Under those 29 States, that is not the case with respect to the contribution of union dues.

Mr. HATCH. In right-to-work States, that is not the case.

Mr. DODD. They get the benefits of the collective bargaining agreements even though they are not members per se. They all get the same benefits.

Mr. HATCH. That is another argument for another day. The fact is, I don't think anybody in their right mind is going to say that people are not compelled to pay union dues in nonright-to-work States, if they want the job and they want to work in a union business. It is that simple. Nobody doubts that. I don't have any problem with that. That is the way the law is. But to say they can spend 100 percent of the money for only one party and not disclose it seems to me to be a bad process, especially when Democrats have suggested: Well, if you don't make the corporations disclose, why should you make the unions? I am saying let's make both of them disclose. Let's be fair so there is no imbalance.

The imbalance is in the fact that the only two things the unions don't care about are TV advertisements and radio advertisements. They can do all these other things: Get out the vote, voter identification, voter registration, mass mailings, phone banks, TV advertisement, radio advertisements, magazine advertisements, newspaper advertisements, outdoor advertising, leafleting, polling, volunteer recruitment and training, and most of their employees are union salaried, full-time political operatives, all working for one party, and at the same time this McCain-Feingold bill limits the Republican Party, which has no outside organization doing this. It limits hard dollars to no more than $1,000 per contributor. Talk about imbalance. In other words, the two groups that you would hope would be fully in the political process—the two political parties—are the ones that are left out, while we ignore all this other stuff.

Talk about imbalance. The McCain-Feingold bill is imbalanced. What is even worse, in my eyes, is that the one thing they impose on unions and others is TV advertisements and radio advertisements within 30 to 60 days of the primary and general elections. Think about that. That says they don't have the right to speak during that time which, under Buckley v. Valeo, shows that directly violative of the first amendment. Here we have the media and everybody else arguing for this.

My amendment does one thing. It doesn't stop the unions from doing this. It doesn't say you are bad people, you should not do this. It says you need to disclose what you are doing so that all members of the union know what political ideologies they are supporting with their dues. That includes 40 percent of them who are basically Republicans and whose moneys are all going to elect Democrats, people who are basically contrary to their philosophical and political viewpoints.

All I ask is that there be disclosure. But to even it up, since the Democrats have raised this time and again, I would require disclosure in the corporate world, too—disclose what the money is used for regarding politics.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

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

MORNING BUSINESS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 10 minutes each.

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

RETIREMENT OF COLONEL WILSON A. ''BUD'' SHATZER

Mr. THURMOND. Mr. President, I rise today to pay tribute to Colonel Wilson A. ''Bud'' Shatzer, who after thirty-one years of dedicated service to the nation and the military, will retire from the United States Army on April 1, 2001.

Colonel Shatzer's career began following his graduation from Eastern Washington University in 1970 when he was commissioned a Second Lieutenant in the Armor Branch. Over the past three decades, his assignments have included a variety of both command and staff positions, and throughout his military career, Colonel Shatzer consistently distinguished himself in all his assignments. Furthermore, whether a newly commissioned Second Lieutenant or a seasoned Colonel, this officer always demonstrated one of the most important qualities an officer should possess, a deep-seated concern for his soldiers regardless of their rank. As a leader and teacher Colonel Shatzer proved himself to be a willing mentor of young officers and enlisted men, and in the process, he helped to shape the successful careers of soldiers throughout the Army.

Many of us came to know Colonel Shatzer during his five-year tour as Executive Officer, Army Legislative Liaison. His professionalism, mature judgment, and sound advice earned him the respect and confidence of members of the Army Secretariat and the Army Staff. While dealing with Members of Congress and Congressional staff, the Department of Defense, and the Joint Staff, Colonel Shatzer's abilities as an officer, analyst and advisor were of benefit to the Army and to those with whom he worked in the Legislative Branch.

For the past thirty-one years, Colonel Shatzer has selflessly served the Army and our Nation professionally, capably and admirably. Through his personal style of leadership, he has had a positive impact on the lives of not only the soldiers who have served under him, but of the families of these soldiers, as well as the civilian employees of the Army who have worked with and under this officer. I am sure that all of those in the Senate who have worked with Colonel Shatzer join me today in wishing both he and his wife, Annie, health, happiness, and success in the years ahead.

BUDGET COMMITTEE MARKUP

Mr. NELSON of Florida. Mr. President, it is a great privilege for me to be a new Member of the Senate, and it is a great privilege for me to be assigned to the Budget Committee. It is with a heavy heart that I have just learned that it is the intention of the chairman, the distinguished Senator from New Mexico, for whom I have the highest regard, not to have a markup in the Budget Committee and rather bring a chairman's mark under the lawful procedures of the Budget Act straight to the floor.

I am compelled to rise to express my objection, for that is what a legislative body is all about in the warp and woof and crosscurrents of ideas for Members to hammer out legislation, particularly on something as important as adopting a budget.

We first started adopting budgets pursuant to the Budget Act passed in the 1970s because Congress had difficulty containing its voracious appetite to continue to spend. Thus, the Budget Act was adopted in which Congress would adopt a blueprint, an overall skeletal structure, for expenditures and for revenues that would be the model after which all of the various committees, both appropriations and authorizing committees, would then come in and flesh out the skeletal structure of the budget adopted.

How important this budgetary debate is this year for the questions in front of the Congress. Such things as: How large is the tax cut going to be, particularly measured against, juxtaposed against, how large the surplus is that we are expecting over the next 10 years. That, of course, is a very iffy projection. We have seen, if history serves us well, that, in fact, we don't know beyond a year, 2 years at the most, with any kind of degree of accuracy, if we can forecast what the surpluses or the deficits are going to be in future years.

So the budget debate brings the central question of how large should the tax cut be counterbalanced against how much of the revenues and the surplus do we think will be there over the course of the next decade. That, then, leads us, once we know that, to be able to decide how much we will appropriate for other needed expenditures for the good of the United States.

Most everyone in this Chamber agrees there ought to be a modernization of Medicare with a prescription drug benefit. Most everyone in this Chamber agrees there should be additional investment in education, and there is a bipartisan bill that is beginning to work its way through the legislative process on increased investment in education and accountability. Most everyone in this Chamber agrees we have to pay our young men and women in the Armed Forces of this country more of a comparable wage in competition with the private sector in order to have the kind of skill and talent we need in today's all-volunteer Armed Forces.

Most people in this body would agree we have to have certain expenditures with regard to health care, planning for the end game, encouraging additional long-term insurance, equalizing the tax subsidies for health insurance now from a large employer to a small employer, or to an individual employer, or to an individual.

There are a number of items on which there is consensus that is built on this side of the Capitol where we should go with regard to expenditures in the future while controlling our fiscal appetite.

That brings me back to the budget resolution, for it is the very essence of adopting a budget resolution that we should have as our watchwords ''fiscal discipline.'' That is why we need to have a full and fair discussion of all the issues in adopting a budget resolution. That is why we ought to mark it up and have that discussion first in the committee.

I wrap up by saying of all the debates that will take place this year, the debate on how we will allocate the resources with regard to the budget of the United States is one of the most important. It ought to have a full and fair and thorough discussion.

THE BIRTH OF WILLIAM BLUE HOLLIER

Mr. CRAPO. Mr. President, I rise today to announce the birth of a fine young man, William Blue Hollier. William was born on Monday, March 5th, making him a couple of weeks old today. He is the first child of Will and Alyssa Hollier. Will serves as my Administrative Assistant and has been an invaluable part of my staff for over 8 years. I'm happy to report that mother, father, and baby are doing well, although Will and Alyssa are probably getting used to fewer hours of sleep.

Young William is the grandson of Charles and Judy Hollier of Lafayette, LA; Judy Myers of New Orleans; and Bob and Cheri Knorr of Sawyer, ND. His great-grandparents, Henry and Mary Myers of Opelousas, LA; Art Odegard of Minot, ND; and Walt Knorr of Devil's Lake, ND, also join me in welcoming this baby.

It is always a joyous event to bring a new family member into the world. William has been much-anticipated and has held a place in the hearts of his parents and family for many months now as they have awaited his arrival. As the father of five myself, I know that Will and Alyssa are in for a most remarkable, frustrating, rewarding, and exciting experience of their lives. William Blue will make certain of that. Our best wishes go out to the Hollier family on this most auspicious occasion.

CHILDREN AND HEALTHCARE WEEK

Mr. HOLLINGS. Mr. President, each day, many of our Nation's children face illnesses that require a doctor's office or hospital visit. This can be frightening for both the child and his or her family, and underscores the need to continue providing quality, caring pediatric health services. This week in Greenville, SC, The Children's Hospital of The Greenville Hospital System is celebrating Children and Healthcare Week with a number of valuable activities for health care professionals, parents and community partners. Among the events are continuing education classes for medical residents and support staff as well as an awards ceremony to honor local individuals who have dedicated their lives to pediatric care.

Children and Healthcare Week highlights educational programming to increase public, parental and professional knowledge of the improvements that can be made in pediatric health care. In particular, it stresses new ways to meet the emotional and developmental needs of children in health care settings. Lack of quality health care should never be an impediment to the long-term success of our nation's children and I commend Greenville's dedication to Children and Healthcare Week.

45th ANNIVERSARY OF TUNISIA'S INDEPENDENCE

Mr. COCHRAN. Mr. President, I congratulate Tunisia on the occasion of her 45th year of independence.

Tunisia is a constitutional democracy striving to create a more open political society, diversify its economy, attract foreign investment, and improve its diplomatic ties with both the European Union and United States.

I am pleased to be a member of the Hannibal Club USA whose mission is to improve the political and economic ties between the United States and Tunisia. I am hopeful that a mutually beneficial relationship between our two countries will continue to grow in the years ahead.

ELECTIONS IN UGANDA

Mr. FEINGOLD. Mr. President, I rise today to express my serious concern about the recent presidential elections in Uganda. Uganda is a country of great promise; in the past year I and many of my colleagues have come to this floor to praise the Ugandan Government and the Ugandan people for their energetic and effective fight against the AIDS pandemic. In recent years, the economy has enjoyed moderate economic growth. Most strikingly, even given the persistence of brutality like that embodied by the Lord's Resistance Army, there can be no mistaking that Uganda has come a long way from the dark days when Idi Amin and Milton Obote terrorized their citizens. This progress toward stability and an improvement in the quality of life enjoyed by Ugandans has been cause for celebration, and legitimately so.

But the latest trends from Uganda are alarming. In particular, the days leading up to the March 12 presidential elections revealed a disturbing willingness on the part of the ruling party to retain power through intimidation. According to observers, the opposition was threatened with violence and arrests from state security forces throughout the campaign. Reports indicate that, in some cases, opposition supporters also resorted to violent tactics. While most observers agree that outcome of the vote would probably not have been different had the election not been marred in this manner, there can be no question that Uganda has been proven to be less democratic and less stable by these recent events, and the security of individual Ugandans wishing to exercise basic civil and political rights is not assured.

It is unquestionably true that many positive developments have unfolded in Uganda over the years that President Museveni has been in office. But Uganda's success is not about Mr. Museveni. Institutions, not individuals, are the backbone of lasting political stability and development. And the movement system currently in effect in Uganda, always dubious, increasingly looks like a single-party system by another name. Its defenders will point to last year's referendum on this so-called ''no-party'' system and claim that it is the will of the people. But the deck was clearly stacked against multipartyism in last year's referendum on the movement system—state-sponsored political education courses were used to mobilize support for the Movement, and the opposition boycotted the vote.

Today, in the wake of the presidential election and after long months of Uganda's involvement in the Democratic Republic of the Congo—an adventure that, while perhaps profitable for the few, is clearly unpopular with the Ugandan people—today, those of us who genuinely wish to see Uganda consolidate the successes of the past and make even more progress in the years ahead are profoundly troubled.

Some in Central Africa believe that the U.S. turns a blind eye to the shortcomings of the government in Kampala. I certainly hope that is not the

case, because that is not in the interests of the U.S. or the Ugandan people. I have recently had cause to reflect on the damage done by years of U.S. support for undemocratic and sometimes violently repressive regimes elsewhere on the continent. We do no one any favors when we fail to tell it like it is, when we look away from blatantly undemocratic acts because we so desperately want to encourage countries that hold great promise. It is precisely because Uganda has made such precious gains that I am troubled, for these gains will surely be wasted if the staying power of the current regime becomes the utmost priority of the government.

SILVER RIBBON CAMPAIGN

Mr. ENZI. Mr. President, I rise today to recognize and honor a campaign to raise disability awareness that originated in my State of Wyoming. I am very proud of the mission behind this effort that, in 3 short years, has gained steam nationally and internationally.

Known as the Silver Ribbon Campaign, this effort to honor disability awareness month, March, was begun by the Natrona County School District #1 Student Support Services and the Parent Resource Center. The campaign has generated significant activity among local officials and is responsible for a variety of training, educational and interactive activities related to raising disability awareness in the broader community. In addition to engaging local officials and the general public, the campaign has worked successfully with the business community and numerous media outlets to ensure a diverse yet unified front in heightening awareness about the reality of living with a disability.

I am particularly proud of the campaign's special effort to include activities targeted towards raising awareness among children. Not only will the public library host a reading hour on disability awareness, with awareness bookmarks available for the public, but public school buses and other public transportation will display the campaign's trademark silver ribbon during the month of March.

The campaign has issued the silver ribbon as a pin, and since its inception in 1998, more than 250,00 pins, along with thousands of balloons and displays, have been used to raise awareness around the State of Wyoming. As I mentioned before, similar activities are being duplicated nationwide.

I am honored but not surprised to once again have the opportunity to highlight a community-based effort invented in Wyoming that other communities are modeling. I hope hearing me today will encourage my colleagues to introduce their own State to the Silver Ribbon Campaign and further raise disability awareness in this country. This is a critical effort that every community should embrace.

EVERYBODY WINS!

Mr. KENNEDY. Mr. President, Everybody Wins! is an innovative literacy improvement program that pairs adults with children for one hour a week to share lunch, a good book and friendship. The U.S. Senate launched Everybody Wins! at the Brent Elementary School in 1995. Today, this program serves 4,500 children in the Washington area.

Last night, I had the honor of attending a reception to celebrate the Everybody Wins! program. I was joined by my colleague Senator JIM JEFFORDS who I commend for his leadership in making the Everybody Wins! program such a success in the U.S. Senate, and Art Tannenbaum, the visionary behind this wonderful program.

I was especially honored to join First Lady Laura Bush at last evening's event. Mrs. Bush's passion for reading and strong commitment to early literacy touched the lives of thousand of families in Texas, and it is clear from last night that she brings that same commitment to children all across the country.

I was deeply moved by her remarks last night and her real passion for children and their needs, and I believe my colleagues would appreciate her thoughtful statement as well.

Mr. President, I ask unanimous consent to print Mrs. Bush's remarks from last evening into the RECORD.

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

FIRST LADY LAURA BUSH'S REMARKS, EVERYBODY WINS! EVENT, MARCH 20, 2001

Thank you very much, Dr. Billington.

First I want to thank Lisa Vise.

Lisa, you are a remarkable girl. You remind us that one person's work can make a difference in a lot of other people's lives.

Senator Jeffords, Senator Kennedy, Mr. Chabraja, Mr. Cole, Mr. Woodward, distinguished guests, I'm pleased to be with you tonight.

Everybody Wins is the largest children's literacy and mentoring organization in the District because you understand the value of spending quality time reading to children.

I am fortunate because someone spent time reading to me as a child—my mother. Thanks to her I developed a lifelong passion for reading, and I grew up to become a teacher. As much as I loved being read to as a child, I love reading to children even more.

The Everybody Wins volunteers will agree reading together has tremendous results. Children who are read to by an adult learn two things: First, that reading is worthwhile, and second, that they are worthwhile.

Reading is the foundation of all learning. Children must have good reading skills to succeed in every subject in school. Those who do not read well by the end of the third grade often have a difficult time catching up. Sadly, thousands of children can't read well in America.

According to a 1998 study, 68 percent of fourth-graders in our nation's lowest-income schools were unable to read at even a very basic level.

We may grow numb to statistics, but we cannot grow numb to our children. That so many children can't read is a clear indication of a fundamental failure of adult responsibility for children's lives and futures.

I know we can turn those numbers around. With caring Americans like you, we will turn those numbers around.

George's defining commitment to children is a quality education. His budget includes $5 billion over the next five years for reading initiatives. Through his Reading First program, he wants to give states and schools the funding and tools to implement sound reading programs in Kindergarten through second grade.

While government does its part, it's up to us as parents and citizens to help children read and succeed in life. Children need more than a program; they need a voice. They need strong role models to put loving arms around them and read to them. You recognize that need. I'm proud you are lending your voice and a hand to Everybody Wins.

Please continue supporting this worthy endeavor. Because of you, Everybody does win.

Thanks to the Senators for demonstrating your commitment to children and sharing your common love of reading. Reading is common ground for all of us. Thank you all so much.

COMMEMORATING THE 10TH ANNIVERSARY OF THE PERSIAN GULF WAR

Mr. JEFFORDS. Mr. President, today I wish to add my voice to the many who have come before the Senate to honor the brave men and women who served our nation so honorably in the Persian Gulf War. March 3, 2001 marked the tenth anniversary of the end of the Persian Gulf War. I pay special tribute to the families of those who gave their lives in this effort.

I would like to draw my colleagues attention to an important event that will be taking place this Sunday, March 25th, 2001, in Manchester, NH. A group of dedicated Americans is gathering to observe the 10th anniversary of the Persian Gulf war, to honor those who served, and to evaluate the fulfillment of our promise to care for those who suffered as a result of their service. A driving force behind this event is the New England Persian Gulf Veterans Inc., NEPGV, and its dynamic founders, David and Patricia Irish. Since the NEPGV's inception in 1996, David and Trish have worked tirelessly to promote the issues and challenges of Gulf War Veterans in New England and beyond. I want to publicly thank them for their efforts and let them know that I will be with them in spirit on the 25th of March.

This is an appropriate time to remember the outstanding job our service men and women did in liberating Kuwait from occupation. Together with our allies, this action stated that in the post Cold War world, the unprovoked conquest of one's neighbors would not be tolerated. The unprecedented coalition of twenty six nations rolled back a tyrannical dictator and a military ill prepared for the determination of the United States and its allies, nor the might and professionalism of the soldiers involved. In the face of the poor performance of old Soviet equipment, the Gulf War firmly established the military superiority of the United States and confirmed our

status as the world's lone superpower. Our willingness to work together with our friends in the Arab world set a new tone in the region and ushered in a new era of respect for international cooperation.

The Gulf War coalition also laid a foundation for a remarkable United Nations operation that for the first time, aggressively sought to identify and destroy any potential capability for development of weapons of mass destruction or manufacture of chemical or biological agents. While UNSCOM had a very difficult time carrying out its mission and was eventually forced to leave Iraq, the world community learned a great deal from the experience, and set any potential future proliferations on notice that these types of actions will not be tolerated.

While peace process in the Middle East is at a low ebb right now, it is also appropriate that we remember how the Gulf War was a critical catalyst for the Oslo Peace Agreement between Israel and the Palestinians, the cornerstone for the wave of peace that swept the region during the 1990s. While subsequent agreements have been shattered by the recent violence, all sides still stand by Oslo, as do the moderate Arab nations who continue to insist that the risks they have taken for peace are worth it. Had it not been for US leadership and the success of the Gulf War, this would not be the case.

As a senior member of the Senate Veterans Affairs Committee, I take very seriously my obligation to address the needs of all our Veterans. Although it has been 10 years since this decisive victory in the Persian Gulf, servicemen and women continue to step forward with symptoms of illnesses and disease likely attributable to serving in Southwest Asia during the war. This was brought home to me by the death of a friend of my son Leonard, John Clark, Jr. A Gulf War veteran, John was stricken with colon cancer at age 31, two short years after his return home from the Gulf. John's case is similar to other service members coming back from the Gulf War. John passed away in 1996. For John and his family, as for many veterans, the war continues well after they have taken off their uniforms and returned to life as civilians. I will continue to work to insure that Gulf War veterans obtain access to VA health benefits and that meaningful research continues to determine treatment for these troubling medical problems. Our Gulf War veterans, having served in Active, Reserve and National Guard units, must know that we here in Washington will continue to fight for them as they fought for us.

Once again, I remember, commemorate and congratulate the members of our Armed Forces who served with distinction during the Gulf War. I sincerely thank them for their service to our country on this, the tenth anniversary of this victory.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, March 20, 2001, the Federal debt stood at $5,732,596,852,845.50, five trillion, seven hundred thirty-two billion, five hundred ninety-six million, eight hundred fifty-two thousand, eight hundred forty-five dollars and fifty cents.

One year ago, March 20, 2000, the Federal debt stood at $5,728,254,000,000, five trillion, seven hundred twenty-eight billion, two hundred fifty-four million.

Five years ago, March 20, 1996, the Federal debt stood at $5,059,798,000,000, five trillion, fifty-nine billion, seven hundred ninety-eight million.

Ten years ago, March 20, 1991, the Federal debt stood at $3,448,161,000,000, three trillion, four hundred forty-eight billion, one hundred sixty-one million.

Fifteen years ago, March 20, 1986, the Federal debt stood at $1,982,276,000,000, one trillion, nine hundred eighty-two billion, two hundred seventy-six million, which reflects a debt increase of almost $4 trillion—$3,940,320,852,845.50, three trillion, nine hundred forty billion, three hundred twenty million, eight hundred fifty-two thousand, eight hundred forty-five dollars and fifty cents, during the past 15 years.

ADDITIONAL STATEMENTS

IN HONOR OF GARY P. PLUNDO, D.O.

• Mr. SANTORUM. Mr. President, I stand before you today to recognize Gary P. Plundo, D.O., M.P.M. from Greensburg, PA who will be installed as the 87th president of the Pennsylvania Osteopathic Medical Association, POMA during their 93rd Clinical Assembly in Philadelphia this May.

Dr. Plundo has been an outstanding member of the medical profession through his many years of service to the people of Greensburg, PA. He has served in many capacities throughout his tenure to improve the health of the people of this community. Both professionally and as a volunteer, Dr. Plundo has used his expertise to help the lives of others. As he becomes the next president of POMA, I am confident that his leadership will take the organization to new heights.

In recognition of his accomplishments and installation as president of POMA, I would like to submit the following proclamation in his honor:

Whereas, Gary P. Plundo, D.O., M.P.M., will be installed on May 4, 2001, as president of the Pennsylvania Osteopathic Medical Association, the state organization that represents over 3,500 licensed osteopathic physicians, over 440 interns, residents and fellows, and 1,000 osteopathic medical students at the Philadelphia College of Osteopathic Medicine and 550 at the Lake Erie College of Osteopathic Medicine; and

Whereas, Dr. Plundo is a graduate of the University of Pittsburgh and the Des Moines University Osteopathic Medical Center College of Osteopathic Medicine and Surgery; and

Whereas, Dr. Plundo has been an officer and trustee of the Pennsylvania Osteopathic Medical Association, a delegate to the American Osteopathic Association and a community leader in the field of family medicine; and

Whereas, he has distinguished himself as a dedicated physician who continues the osteopathic tradition of assuring exemplary family medicine;

Now, therefore, I congratulate Gary P. Plundo, D.O., M.P.M., on his installation as the 87th President of the Pennsylvania Osteopathic Medical Association, and wish him the best for a successful and rewarding tenure.•

RECOGNIZING AIR FORCE CAPTAIN GLEN CHRISTENSEN

• Mr. CONRAD. Mr. President, today I would like to recognize the achievements of Air Force Captain Glen Christensen.

Captain Glen Christensen was named 21st Air Force Company Grade Officer for 2000. In the selection for this award, Glen was in competition with Wing Company Grade Officers from seven other Air Force Bases including Robbus AFB, GA, MacDill AFB, FL, Pope AFB, NC, Charleston AFB, SC, Little Rock AFB, AK, McGuire AFB, NJ, and Dover AFB, DE. Candidates for the awards were evaluated in five categories which include: duty achievement; self improvement; off-duty accomplishments; other leadership accomplishments, and positive representation of the U.S. Air Force.

Three weeks prior, Captain Christensen had been selected Company Grade Officer of the Year for the 89th Security Forces Squadron at Andrews Air Force Base, MD, and then for the 89th Support Group, and finally for the 89th Airlift Wing at Andrews. He won the squadron and group competition for the second consecutive year. At the group level, he represented Security Forces and competed with selectees from Mission Support, Services and Civil Engineering squadrons. At the Wing level, Christensen competed with five other group winners from among 454 company grade officers in all groups. In addition to Security Forces, which Glen represented, group winners came from Logistics, Medical, Operations, and Communications groups and from the Wing Commander's staff.

While second in command of the third largest Security Forces unit in the Air Force, Captain Christensen organized and directed security at Andrews AFB for the NATO 50th Anniversary Summit, two Joint Services Open House Air Shows, and the recent Presidential Inauguration, in addition to everyday base law enforcement and security for the ''President's base'' and ''Air Force One.''

Glen graduated in 1993 from the United States Air Force Academy with

Military Distinction. He is the son of Everett and Sybil Christensen of Madelia, MN.

Mr. President, I offer my congratulations to Captain Christensen and his family on this award.●

RETIREMENT OF STEPHAN LEONOUDAKIS

● Mrs. BOXER. Mr. President, it is a pleasure to take this opportunity to draw the Senate's attention to the career of Stephen C. Leonoudakis.

Stephan was Director of the Golden Gate Bridge, Highway and Transportation District from 1962 until his retirement this past January. Even by the standards set by some members of this chamber, this is a long time. He served continuously in the same position for 38 years. Over the course of this time, he became nearly as integral to the Bridge District as the famous span for which it was named. There are few who remember a time when he was not Director. The question is not whether he will be missed, but what will we do without him?

Stretching from San Francisco to Marin County across the opening to San Francisco Bay, the Golden Gate Bridge is one of the most identifiable landmarks in the world. People flock to the bridge from around the globe, often braving the chilly mid-summer fog to catch a breathtaking glimpse of the city to the east, the seemingly endless Pacific Ocean to the west, the Bay directly below and the graceful structure itself above and around. It is a truly enchanted place.

But, as the name implies, the Golden Gate Bridge, Highway and Transportation District is more than just a bridge with a million dollar view. It is a full-service transportation district complete with buses, ferries, bicycles, pedestrians, staffmembers and all the maintenance and other administrative challenges that come with them. This is where Stephan really shined. Over his tenure, he participated in transforming the Bridge District from an agency that essentially looked after a beautiful landmark into an organization which operates a world-class transit agency serving millions of commuters and visitors annually. This is a tremendous achievement that Stephan shares.

There were times, I imagine, when people thought that Stephan might just outlast the bridge he loved and looked after all these years. But thanks to solid construction, regular maintenance and a vigorous seismic program he began, it looks like Stephan is going to beat the bridge into retirement by many years. We can all be grateful for that even as we bid a friend a fond, happy and healthy retirement. No one deserves it more.●

THE LA SALLE ACADEMY FOOTBALL TEAM

● Mr. REED. Mr. President, I rise today to recognize the achievement of La Salle Academy of Providence, RI whose football team became State Champions for the year 2000.

In 1871, the de La Salle Christian Brothers came to Rhode Island to teach at the ''Brothers'' school. In 1876, that school became an academy and was named La Salle, after the Christian Brothers founder, Saint John Baptiste de La Salle. Since its opening 125 years ago, La Salle has offered its students a rigorous, value-based education. The Brothers' approach to comprehensive student development has been evident not only in their academic excellence, but in the successes of their clubs and athletic teams as well.

The athletic department at La Salle has a strong commitment to instilling leadership, sportsmanship, and a healthy approach to athletic competition. Since its founding in 1908, the La Salle football program has been one of the most successful in the state. Legendary Coach Jack Cronin guided the Rams to 274 wins during his 44 years tenure from 1928 to 1972. In the 1940's and 1950's, La Salle played before some of the largest crowds ever to see a game in Rhode Island, including 25,000 in 1945, 40,000 in 1947, and 10,000 in 1955. In the 1970's and 1980's, the La Salle football team won ten Division A titles.

La Salle also participates in the oldest sports rivalry in the state. For seventy-one years, La Salle and East Providence High School have met traditionally on Thanksgiving Day. Up until this past year, the series had been tied, but with La Salle's victory they now proudly lead that series 35–34, with two ties.

Through the leadership of Tim Coen, first year Coach of the La Salle Rams, and Team Captains Toyin Barnisile, Joe Ben, Howie Brown, David Regus, and Jon-Erik Schneiderhan, La Salle can boast its first Super Bowl Division Championship. After winning only four of nine league games in the previous year, the Rams completed the regular season with an impressive 9–0 record, including a win over Thanksgiving rival and two-time defending state champions East Providence.

The last time La Salle played in a championship game was nearly a decade ago in 1992, when they lost to Portsmouth High School. The year 2000 finally brought a re-match as this year's Super Bowl game pitted the Portsmouth Patriots against the La Salle Rams. The Rams were victorious in a very close game, thanks to the exceptional effort put forth by the La Salle team supported by their fellow students and alumni.

As a proud graduate and former member of the La Salle Academy football team, I know the skills, training, and strength of character that are necessary to achieve what this program has achieved. I would ask that my colleagues join me in applauding La Salle Academy for its remarkable accomplishments this year and throughout its long tradition of excellence.●

MESSAGE FROM THE HOUSE

At 3:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 41. Concurrent resolution expressing sympathy for the victims of the devastating earthquakes that struck El Salvador on January 13, 2001, and February 13, 2001, and supporting ongoing aid efforts.

The message also announced that pursuant to Public Law 106–292 (36 U.S.C. 2301), the Speaker appoints the following Members of the House of Representatives to the United States Holocaust Memorial Council: Mr. GILMAN, Mr. LATOURETTE, and Mr. CANNON.

The message further announced that pursuant to section 5(b) of Public Law 93–642 (20 U.S.C. 2004(b)), the Speaker appoints the following Members of the House of Representatives to the Board of Trustees of the Harry S Truman Scholarship Foundation: Mrs. EMERSON of Missouri and Mr. SKELTON of Missouri.

The message also announced that pursuant to 22 U.S.C.. 276d, the Speaker appoints the following Member of the House of Representatives to the Canada-United States Interparliamentary Group: Mr. HOUGHTON of New York, Chairman.

The message further announced that pursuant to section 5(a) of the Abraham Lincoln Bicentennial Commission Act (36 U.S.C. 101 note), the Speaker appoints the following Member of the House of Representatives to the Abraham Lincoln Bicentennial Commission: Mr. LAHOOD of Illinois.

The message also announced that pursuant to section 5(a) of the Abraham Lincoln Bicentennial Commission Act (Public Law 106–173), the Minority Leader appoints the following individual to the Abraham Lincoln Bicentennial Commission: Mr. PHELPS of Illinois.

MEASURES REFERERD

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 41. Concurrent resolution expressing sympathy for the victims of the devastating earthquakes that struck El Salvador on January 13, 2001, and February 13, 2001, and supporting ongoing aid efforts: to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–1094. A communication from the Acting Administrator of the Food and Nutrition Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Special Supplemental Nutrition Program for Women, Infants and Children

(WIC): Clarification of WIC Mandates of Public Law 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996'' (RIN0584–AC51) received on March 19, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1095. A communication from the Rules Administrator of the Federal Bureau of Prisons, Office of General Counsel, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Drug Abuse Treatment and Intensive Confinement Center Programs: Early Release Consideration'' ((RIN1120–AA36) (RIN1120–AA66)) received on March 19, 2001; to the Committee on the Judiciary.

EC–1096. A communication from the Director of the Office of Regulations Management, Board of Veterans' Appeals, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Appeals Regulation—Title for Members of the Board of Veterans' Appeals—Rescission'' (RIN2900–AK61) received on March 19, 2001; to the Committee on Veterans' Affairs.

EC–1097. A communication from the Director of the Office of Regulations Management, Board of Veterans' Appeals, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Revised Criteria for Monetary Allowance for an Individual Born with Spina Bifida Whose Biological Father or Mother is a Vietnam Veteran'' (RIN2900–AJ51) received on March 19, 2001; to the Committee on Veterans' Affairs.

EC–1098. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, Presidential Determination Number 2001–12, relative to the certification of twenty–four major illicit drug producing and transit countries; to the Committee on Foreign Relations.

EC–1099. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''Amendments to the International Traffic in Arms Regulation: Canadian Exemption'' (22 CFR Part 126) received on March 19, 2001; to the Committee on Foreign Relations.

EC–1100. A communication from the Acting Administrator of the Agency for International Development, transmitting, pursuant to law, a report concerning the development assistance and child survival/diseases program allocations for Fiscal Year 2001; to the Committee on Foreign Relations.

EC–1101. A communication from the Chief Counsel of the St. Lawrence Seaway Development Corporation, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Seaway Regulations and Rules; Tariff of Tolls'' (RIN2135–AA12) received on March 15, 2001; to the Committee on Environment and Public Works.

EC–1102. A communication from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Nuclear Safety Management'' (RIN1901–AA34) received on March 19, 2001; to the Committee on Environment and Public Works.

EC–1103. A communication from the Secretary of the Interior, transmitting the report of acceptance of the Palmerita Ranch Land Donation; to the Committee on Energy and Natural Resources.

EC–1104. A communication from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Security Requirements for Protected Disclosure Under Section 3164 of the National Defense Authorization Act for Fiscal Year 2000'' (RIN1992–AA26) received on March 19, 2001; to the Committee on Energy and Natural Resources.

EC–1105. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance'' (RIN1901–AA87) received on March 19, 2001; to the Committee on Energy and Natural Resources.

EC–1106. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Federal Savings Association Bylaws; Integrity of Directors'' (RIN1150–AB39) received on March 16, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1107. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Consumer Protections for Depository Institution Sales of Insurance; Change in Effective Date'' (RIN1150–AB34) received on March 16, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1108. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Liquidity'' (RIN1150–AB42) received on March 16, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1109. A communication from the Senior Banking Counsel, Office of General Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Financial Subsidiaries'' (RIN1505–AA77) received on March 19, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1110. A communication from the Deputy Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Standards of Privacy of Individually Identifiable Health Information'' (RIN0091–AB08) received on March 16, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1111. A communication from the Deputy Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''National Medical Support Notice; Delay of Effective Date'' (RIN0970–AB97) received on March 19, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1112. A communication from the Deputy Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Standards for Privacy of Individually Identifiable Health Information'' (RIN0091–AB08) received on March 19, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1113. A communication from the Deputy Executive Secretary to the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Standards for Privacy of Individually Identifiable Health Information'' (RIN0991–AB08) received on March 19, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–1114. A communication from the Board of Trustees of the Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the annual report related to the near-term and long-term financial outlook for 2001; to the Committee on Finance.

EC–1115. A communication from the Board of the Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, the annual report evaluating the financial adequacy of the SMI program for calendar year 2001; to the Committee on Finance.

EC–1116. A communication from the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, the annual report on the current and projected financial conditions of the Social Security Program for calendar year 2001; to the Committee on Finance.

EC–1117. A communication from the Deputy Assistant Secretary of the Division of Welfare-to-Work, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Welfare-to-Work (WtW) Grants; Final Rule; Interim Final Rule'' (RIN1205–AB15) received on March 19, 2001; to the Committee on Finance.

EC–1118. A communication from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Change in Application of Federal Financial Participation Limits'' (RIN0938–AJ96) received on March 16, 2001; to the Committee on Finance.

EC–1119. A communication from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Monthly Actuarial Rates and Monthly Supplementary Medical Insurance Premium Rate Beginning January 1, 2001'' received on March 16, 2001; to the Committee on Finance.

EC–1120. A communication from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Expanded Coverage for Outpatient Diabetes Self-Management Training and Diabetes Outcome Measurements'' (RIN0938–AI96) received on March 16, 2001; to the Committee on Finance.

EC–1121. A communication from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Inpatient Hospital Deductible and Hospital and Extended Care Services'' (RIN0938–AK27) received on March 16, 2001; to the Committee on Finance.

EC–1122. A communication from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicaid Managed Care'' (RIN0938–AI70) received on March 16, 2001; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

From the Committee on Small Business, with an amendment in the nature of a substitute:

S. 295: A bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes (Rept. No. 107–4).

From the Committee on Small Business, with amendments:

S. 395: A bill to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration (Rept. No. 107–5).

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. GRAHAM (for himself, Mr. CHAFEE, Mr. MCCAIN, Mrs. FEINSTEIN, Mr. JEFFORDS, Mr. WELLSTONE, Mrs. MURRAY, Mr. KENNEDY, Ms. COLLINS, Mr. SPECTER, Mr. SCHUMER, and Mrs. CLINTON):

S. 582. A bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance program; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. SPECTER, Mr. LEAHY, Mr. JEFFORDS, Mr. GRAHAM, Mr. CHAFEE, and Mrs. CLINTON):

S. 583. A bill to amend the Food Stamp Act of 1977 to improve nutrition assistance for working families and the elderly, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. CLINTON (for herself, Mr. WELLSTONE, and Mr. DODD):

S. 584. A bill to designate the United States courthouse located at 40 Centre Street in New York, New York, as the ''Thurgood Marshall United States Courthouse''; to the Committee on Environment and Public Works.

By Mr. CRAPO (for himself, Mr. CRAIG, and Mr. SMITH of New Hampshire):

S. 585. A bill to provide funding for environmental and natural resource restoration in the Coeur d'Alene River Basin, Idaho; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 586. A bill to authorize negotiation for the accession of Chile to the North American Free Trade Agreement, to provide for fast track consideration, and for other purposes; to the Committee on Finance.

By Mr. CONRAD (for himself, Mr. THOMAS, Mr. DASCHLE, Mr. JOHNSON, and Mr. ROBERTS):

S. 587. A bill to amend the Public Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas; to the Committee on Finance.

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

S. 588. A bill to reduce acid deposition under the Clean Air Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SMITH of New Hampshire:

S. 589. A bill to make permanent the moratorium on the imposition of taxes on the Internet; to the Committee on Commerce, Science, and Transportation.

By Mr. JEFFORDS (for himself, Mr. BREAUX, Mr. FRIST, Mrs. LINCOLN, Ms. SNOWE, Mr. CHAFEE, and Mr. CARPER):

S. 590. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs, and for other purposes; to the Committee on Finance.

By Mr. BENNETT (for himself and Mr. REID):

S. 591. A bill to repeal export controls on high performance computers; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SANTORUM (for himself, Mr. LIEBERMAN, Mr. HUTCHINSON, Mr. DURBIN, Mr. BROWNBACK, Ms. LANDRIEU, Mr. LUGAR, Mr. BAYH, and Mr. DEWINE):

S. 592. A bill to amend the Internal Revenue Code of 1986 to create Individual Development Accounts, 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. HUTCHINSON:

S. Res. 61. A resolution expressing the sense of the Senate that the Secretary of Veterans Affairs should recognize board certifications from the American Association of Physician Specialists, Inc., for purposes of the payment of special pay by the Veterans Health Administration; to the Committee on Veterans' Affairs.

By Mr. HELMS (for himself, Mr. WELLSTONE, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. Con. Res. 27. A concurrent resolution expressing the sense of Congress that the 2008 Olympic Games should not be held in Beijing unless the Government of the People's Republic of China releases all political prisoners, ratifies the International Covenant on Civil and Political Rights, and observes internationally recognized human rights; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 41

At the request of Mr. HATCH, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor 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. 90

At the request of Mr. BINGAMAN, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 90, a bill authorizing funding for nanoscale science and engineering research and development at the Department of Energy for fiscal years 2002 through 2006.

S. 133

At the request of Mr. BAUCUS, the names of the Senator from Ohio (Mr. DEWINE), the Senator from New York (Mr. SCHUMER), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Illinois (Mr. DURBIN), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 133, a bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes.

S. 135

At the request of Mrs. FEINSTEIN, the name of the Senator from Rhode Island (Mr. CHAFEE) 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 Indiana (Mr. LUGAR) 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. 155

At the request of Mr. BINGAMAN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 155, a bill to amend title 5, United States Code, to eliminate an inequity in the applicability of early retirement eligibility requirements to military reserve technicians.

S. 170

At the request of Mr. REID, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 278

At the request of Mr. JOHNSON, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 278, a bill to restore health care coverage to retired members of the uniformed services.

S. 316

At the request of Mr. MCCONNELL, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 316, a bill to provide for teacher liability protection.

S. 326

At the request of Ms. COLLINS, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 326, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

S. 393

At the request of Mr. FRIST, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 393, a bill to amend the Internal Revenue Code of 1986 to encourage charitable contributions to public charities for use in medical research.

S. 441

At the request of Mr. CAMPBELL, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 441, a bill to provide Capitol-flown flags to the families of law enforcement officers and firefighters killed in the line of duty.

S. 452

At the request of Mr. MURKOWSKI, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and

ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 459

At the request of Mr. BREAUX, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on vaccines to 25 cents per dose.

S. 512

At the request of Mr. DORGAN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 512, a bill to foster innovation and technological advancement in the development of the Internet and electronic commerce, and to assist the States in simplifying their sales and use taxes.

S. 534

At the request of Mr. CAMPBELL, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 534, a bill to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States.

S. 543

At the request of Mr. WELLSTONE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 548

At the request of Mr. HARKIN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 548, a bill to amend title XVIII of the Social Security Act to provide enhanced reimbursement for, and expanded capacity to, mammography services under the medicare program, and for other purposes.

S. 550

At the request of Mr. DASCHLE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 550, a bill to amend part E of title IV of the Social Security Act to provide equitable access for foster care and adoption services for Indian children in tribal areas.

S. RES. 44

At the request of Mr. COCHRAN, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. Res. 44, a resolution designating each of March 2001, and March 2002, as ''Arts Education Month.''

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAHAM (for himself, Mr. CHAFEE, Mr. MCCAIN, Mrs. FEINSTEIN, Mr. JEFFORDS, Mr. WELLSTONE, Mrs. MURRAY, Mr. KENNEDY, Ms. COLLINS, Mr. SPECTER, Mr. SCHUMER, and Mrs. CLINTON):

S. 582. A bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the Medicaid and State children's health insurance program; to the Committee on Finance.

Mr. GRAHAM. Mr. President, I rise today on behalf of Senators CHAFEE, MCCAIN, FEINSTEIN, JEFFORDS, WELLSTONE, MURRAY, KENNEDY, COLLINS, SPECTER, SCHUMER, CLINTON, and myself to introduce the Immigrant Children's Health Improvement Act of 2001.

This bill will give States the option to provide Medicaid and CHIP coverage to immigrant children and pregnant women who arrived legally in this country after August 22, 1996. That is the date Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act—commonly known as welfare reform.

The goal of that legislation was to encourage self-sufficiency in adults. But it also affected children, including immigrants, citizens, and those not yet born. The legislation cut off government-supported health care for all legal immigrants, regardless of their ages or circumstances.

Census data released last week offered good news on the number of uninsured people in America. The data shows that the number of Americans without health insurance fell from 44.3 million to 42.6 million in 1999. This is the first decline since 1987. But the news is not good for everyone who works hard in this country, who plays by the rules, who tries to build a better life for themselves and their families.

What was not in the headlines is the fact that the proportion of immigrant children who are uninsured remains extremely high.

A new report by the Urban Institute shows that in the last year, nearly half of low-income immigrant children in America had no health-insurance coverage. In my State of Florida, that ratio is nearly three to one. This is just one of many reports that show that in our zeal to discourage dependency in adults, we unintentionally punished children.

A study by the Center on Budget and Policy Priorities finds that the percentage of low-income immigrant children in publicly-funded coverage—which was low even before welfare reform—has fallen substantially.

Florida is home to more than half a million uninsured children, many of whom are in this country legally or are citizens whose immigrant parents are ineligible for coverage and so think their children are similarly barred.

Under this bill, States have the option of taking steps to change that by eliminating the arbitrary designation of August 22, 1996, as a cutoff date for allowing children to get health care. Giving States the option of providing this coverage to legal immigrant children and pregnant women would cover more than 200,000 people a year. States have asked for this option. Many are already trying to provide coverage but can't make up the holes in their budget.

In their 2001 Winter Policy Report, the National Governors' Association endorsed this commonsense policy proposal. The National Council of State Legislators has also endorsed this bill. More than 200 respected public-interest groups including Catholic Charities, the National Council of La Raza, the National Association of Public Hospitals, the National Immigration Law Center, the Children's Defense Fund, and the American Academy of Pediatrics have all joined together in support of the bill. Beginning today and for months to come, these organizations will be holding events to rally behind this and other legislation that supports the goal of providing healthy solutions for hard-working American families.

Under this umbrella, Senators KENNEDY and JEFFORDS will be introducing legislation to restore food stamps to legal immigrants and Representatives LEVIN and MORELLA will be introducing a bill to protect immigrant women from domestic violence.

Passage of the Immigrant Children's Health Improvement Act is an important step in revisiting the welfare reform legislation.

What we now realize, years after passing that landmark law, is that legal immigrant children are, as much as citizen children, the next generation of Americans. Providing Medicaid and CHIP to legal immigrant children is critical in order to guarantee that generation can be healthy and productive members of their adopted country.

We call upon Congress and the President to act this year and pass this important bill.

By Mr. KENNEDY (for himself, Mr. SPECTER, Mr. LEAHY, Mr. JEFFORDS, Mr. GRAHAM, Mr. CHAFEE, and Mrs. CLINTON):

S. 583. A bill to amend the Food Stamp Act of 1977 to improve nutrition assistance for working families and the elderly, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. KENNEDY. Mr. President, today Senator SPECTER, Senator LEAHY, Senator JEFFORDS, Senator GRAHAM, Senator CHAFEE, and I introduce the bipartisan ''Nutrition Assistance for Working Families and Seniors Act.'' Our goal is to repair specific holes that time has worn in the nation's core nutrition safety net—the Food Stamp Program.

Hunger is a silent crisis affecting families all across America. No corner of our land is immune from this tragedy.

The Nation can well afford to ensure that the average food stamp benefit of

79 cents per meal is available to everyone who truly needs it. In a time of economic prosperity, the moral imperative to feed the hungry may be clearest. But in a time of economic uncertainty, the need to feed the hungry should be clearest.

The bottom line is that too many working families and seniors in America have trouble putting enough food on the table. On February 26, 2001, the New York Times included a compelling account of the difficulties faced by the Payne family from Cleveland, Ohio. Mrs. Payne states that ''it's difficult to work at a grocery store all day, looking at all the food I can't buy, so I imagine filling up my cart with one of those big orders and bringing home enough food for all my kids.'' She and her husband, a factory worker, routinely go without dinner to be sure that their four children have enough to eat. The Payne family was among thousands of working families that have recently turned to emergency food pantries and soup kitchens in search of help. The Payne family did not know that they were eligible for food stamps.

Nationwide, participation in the Food Stamp Program has declined 34 percent since 1996, four times faster than the decline in the poverty rate. This means that over 2 million fewer people who live in poverty are accessing food stamps today. Over a quarter of the reduction in food stamp participation between 1994 and 1998 resulted from welfae reform and its elimination of food stamp eligibility for legal immigrants, both by directly rendering legal immigrants ineligible for food stamps, and by discouraging their U.S. citizen children from accessing food stamps.

The results are predictable. The U.S. Department of Agriculture determined that 4.9 million adults and 2.6 million children lived in households that experienced hunger during 1999. The Urban Institute finds that 33 percent of former welfare recipients have to skip or cut meals due to lack of food.

The most vulnerable people among us—recent immigrants, children, and the elderly—are the ones who face the greatest difficulty. Republicans and Democrats agree that we need to work together in good faith to deliver senior citizens from having to choose between heating and eating, and from having to choose between paying for their prescription drugs or for their groceries. There is also widespread agreement that more must be done to end childhood hunger. A July 1999 General Accounting Office study concludes, ''Children's participation in the Food Stamp Program has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance.''

Sadly, the enormity of this crisis is confirmed by a major study released today by the Urban Institute's National Survey of America's Families, which focuses upon the impact that welfare reform has had on the children of immigrants. The report finds that 80 percent of the children of immigrants are United States citizens, but the immigrant status of parents prevents these citizen children from receiving the aid they need. According to the Urban Institute, 24 percent of children of immigrants live in poverty compared to 16 percent of children of citizens, and 37 percent of children of immigrants live in households that have difficulty putting enough food on the table each month, compared to 27 percent of children of citizens.

The report also shows that access to public benefits makes a difference for immigrant families. Largely because Massachusetts pays to provide food stamps to all legal immigrants, food insecurity rates there are relatively similar for children of immigrants and children of citizens 28 percent of immigrant children versus 22 percent of native children). Texas provides no such benefit, however, and this fact is reflected in its food insecurity rates. Over 49 percent of children of immigrants lack secure access to adequate nutrition in Texas, compared to a third of children of citizens.

While hunger and malnutrition are serious problems for people of all ages, their effects are particularly damaging to children. Hungry and undernourished children are more likely to become anemic and to suffer from allergies, asthma, diarrhea, and infections. They are also more likely to have behavioral problems and difficulty in learning. When children arrive at school hungry, they cannot learn. If we do not address this silent crisis, our considerable investments in education and early learning activities will not have the full positive impact that they should. Clearly more must be done for both the children of citizens and the children of immigrants.

A strong Food Stamp Program is essential to ensure that all people in America can get the food they need to stay healthy. In seven common sense steps, this bill reaches goals shared by Republicans and Democrats alike—promoting self-sufficiency, encouraging transitions from welfare to work, and eradicating hunger among children and seniors.

First, this bill restores eligibility for food stamps to all legal immigrants, a matter of fundamental fairness and basic need. The Kaiser Commission on Medicaid and the Uninsured reports that immigrant families on average pay $80,000 more in taxes than they receive in local, state, and federal benefits over a lifetime. For 30 years prior to welfare reform, food stamps were available to legal immigrants, and as today's Urban Institute report confirms, legal immigrants are now among those most in need of nutritional assistance. Our laws recognize that legal immigrants need access to employment, education, and health care, yet all of these efforts are compromised when legal immigrants are denied access to basic nutrition.

The effort to prevent legal immigrants from accessing food stamps never made sense from a policy perspective, and I am pleased to see considerable bipartisan momentum building to restore eligibility. Our key allied in the effort to restore eligibility include the National Conference of State Legislatures, the U.S. Conference of Mayors, the National Association of Counties, the National Black Caucus of State Legislators, the Hispanic Caucus, leaders of all major religious denominations, and over 1,400 immigration, hunger, and social justice organizations that are active in every state. Over twenty newspapers have published editorials urging restoration of food stamp eligibility to legal immigrants. With such strong and broad public support, I am hopeful that immigrants will not have to wait another year to have their access to basic nutrition restored.

Second, this bill ends the child penalty under current food stamp law. Just as the marriage penalty in our tax code unfairly penalizes some couples, existing law unfairly limits nutritional assistance to some families with children. This bill fixes the problem by indexing the food stamp standard deduction to family size in a way that simply ensures that every family that is in deep poverty, with earnings under 10 percent of the poverty limit, will receive the maximum current food stamp benefit regardless of family size. Over half of the benefit from this provision will go to working families.

Third, this bill addresses a core nutritional concern of senior citizens and other low-income families on fixed incomes, many of whom qualify for the minimum food stamp benefit. The food stamp minimum benefit has remained at $10 since 1977. This bill raises the minimum benefit to $25 over the course of five years, and then indexes it to inflation.

Fourth, this bill ensures that food stamp law treats child support payments like income when calculating benefits, by disregarding 20 percent of these payments in the benefit determinations. This measure is consistent with last year's overwhelming House approval of a plan to encourage states to pass more child support payments through to low-income families. Parents who know that their children will directly benefit if they pay their child support are more likely to remain on the job, pay their child support, and, most importantly, remain involved with their children.

Fifth, this bill gives states more options for helping families make the transition from welfare to work. Current food stamp law allows a 3-month state option for a transitional food stamp benefit. This bill mirrors Medicaid's six-month Medicaid transitional benefit for food stamps, simplifying state recordkeeping, increasing state flexibility, and helping TANF families transition to work.

Sixth, this bill improves access to food stamp information, helping to ensure that families like the Paynes are aware of the help that remains available to them. It helps rural families apply for food stamps using online and telephone systems, eliminating the need to travel to food stamp offices. It also supports stronger public-private partnerships that generate and distribute information about the nation's nutrition assistance program.

Finally, this bill increases federal support for emergency food programs, 71 percent of which are operated by faith based organizations. Sharp increases in requests for help from food pantries and soup kitchens have occurred over the past year despite steep declines in food stamp participation. Many food banks find themselves unable to meet the increased requests for help. Nationally, the U.S. Conference of Mayors and America's Second Harvest have independently documented a 15 to 20 percent increase in needs over 1998. 79 percent of Massachusetts food pantries funded through Project Bread reported serving more working poor in 1998, and 72 percent reported helping more families with children. To ensure that emergency food needs are met without unnecessarily tapping Food Stamp resources, this bill increases funding for The Emergency Food Assistance Program by 10 percent.

The total cost of this bill amounts to about $2.75 billion over five years, which would increase the cost of the Food Stamp Program by about 2 percent. This bill's cost is also modest in relation to the current ten-year non-Social surplus—it uses but 0.2 percent of the projected federal surplus.

We've often heard that hunger has a cure. This is a call to action, not a truism, for the many people who have cooperated in developing this legislation. I'm proud to work with them for its prompt passage.

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. 583

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 ''Nutrition Assistance for Working Families and Seniors Act of 2001''.

SEC. 2. RESTORATION OF FOOD STAMP BENEFITS FOR LEGAL IMMIGRANTS.

(a) LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.—

(1) IN GENERAL.—Section 402(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking ''Federal programs'' and inserting ''Federal program'';

(ii) in subparagraph (D)—

(I) by striking clause (ii); and

(II) in clause (i)—

(aa) by striking ''(i) SSI.—'' and all that follows through ''paragraph (3)(A)'' and inserting the following:

''(i) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)'';

(bb) by redesignating subclauses (II) through (IV) as clauses (ii) through (iv) and indenting appropriately;

(cc) by striking ''subclause (I)'' each place it appears and inserting ''clause (i)''; and

(dd) in clause (iv) (as redesignated by item (bb)), by striking ''this clause'' and inserting ''this subparagraph'';

(iii) in subparagraph (E), by striking ''paragraph (3)(A) (relating to the supplemental security income program)'' and inserting ''paragraph (3)'';

(iv) in subparagraph (F);

(I) by striking ''Federal programs'' and inserting ''Federal program'';

(II) in clause (ii)(I)—

(aa) by striking ''(I) in the case of the specified Federal program described in paragraph (3)(A),''; and

(bb) by striking ''; and'' and inserting a period; and

(III) by striking subclause (II);

(v) in subparagraph (G), by striking ''Federal programs'' and inserting ''Federal program'';

(vi) in subparagraph (H), by striking ''paragraph (3)(A) (relating to the supplemental security income program)'' and inserting ''paragraph (3)''; and

(vii) by striking subparagraphs (I), (J), and (K); and

(B) in paragraph (3)—

(i) by striking ''means any'' and all that follows through ''The supplemental'' and inserting ''means the supplemental''; and

(ii) by striking subparagraph (B).

(2) CONFORMING AMENDMENT.—Section 402(b)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(F)) is amended by striking ''subsection (a)(3)(A)'' and inserting ''subsection (a)(3)''.

(b) FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.—Section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613) is amended—

(1) in subsection (c)(2), by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''; and

(2) in subsection (d)—

(A) by striking ''not apply'' and all that follows through ''(1) an individual'' and inserting ''not apply to an individual''; and

(B) by striking ''; or'' and all that follows through ''402(a)(3)(B)''.

(c) AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.—Section 422(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1632(b)) is amended by adding at the end the following:

''(8) Programs comparable to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(d) REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.—Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

''(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), if a sponsor is unable to make the reimbursement because the sponsor experiences hardship (including bankruptcy, disability, and indigence) or if the sponsor experiences severe circumstances beyond the control of the sponsor, as determined by the Secretary of Agriculture.''.

(e) DERIVATIVE ELIGIBILITY FOR BENEFITS.—Section 436 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1646) is repealed.

(f) APPLICATION.—This section and the amendments made by this section shall apply to assistance or benefits provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for months beginning on or after April 1, 2002.

SEC. 3. PREVENTION OF HUNGER AMONG FAMILIES WITH CHILDREN.

(a) STANDARD DEDUCTION.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States equal to the applicable percentage established under subparagraph (C) of the income standard of eligibility under subsection (c)(1).

''(B) LIMITATIONS.—The standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States under subparagraph (A) shall not be—

''(i) less than $134, $229, $189, $269, and $118, respectively; or

''(ii) more than the applicable percentage specified in subparagraph (C) of the income standard of eligibility established under section (c)(1) for a household of 6 members.

''(C) APPLICABLE PERCENTAGE.—The applicable percentage referred to in subparagraphs (A) and (B) shall be—

''(i) for fiscal year 2002, 8 percent;

''(ii) for fiscal year 2003, 8.5 percent;

''(iii) for fiscal year 2004, 9 percent;

''(iv) for fiscal year 2005, 9.5 percent; and

''(v) for each subsequent fiscal year, 10 percent.''.

(b) APPLICATION DATE.—The amendments made by this section shall apply on the later of—

(1) July 1, 2002; or

(2) at the option of a State agency of a State (as those terms are defined in section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012)), October 1, 2002.

SEC. 4. ENCOURAGEMENT OF COLLECTION OF CHILD SUPPORT.

(a) IN GENERAL.—Section 5(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(2)) is amended—

(1) by inserting ''AND CHILD SUPPORT'' after ''INCOME'';

(2) in subparagraph (A) by—

(A) striking ''DEFINITION OF'' and all that follows through ''not include'' and inserting ''LIMITATION ON DEDUCTION.—The deduction in this paragraph shall not apply to'';

(B) striking ''or'' at the end of clause (i);

(C) striking the period at the end of clause (ii) and inserting ''; or''; and

(D) adding at the end the following:

''(iii) child support received to the extent of any reduction in public assistance to the household as a result of receiving such support.''; and

(3) in subparagraph (B), by striking ''to compensate'' and all that follows through the period and inserting ''and child support received from an identified or putative parent of a child in the household if that parent is not a household member.''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 5. MINIMUM FOOD STAMP ALLOTMENT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking

''shall be $10 per month.'' and inserting ''shall be—

''(1) for each of fiscal years 2002 and 2003, $15 per month;

''(2) for each of fiscal years 2004 and 2005, $20 per month;

''(3) for fiscal year 2006, $25 per month;

''(4) for fiscal year 2007 and each subsequent fiscal year, the minimum allotment under paragraph (3), adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan for the 12-month period ending in the preceding June, rounded to the nearest lower dollar increment.''.

SEC. 6. TRANSITIONAL BENEFITS OPTION.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report (as verified in accordance with standards established by the Secretary).

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive uninterrupted benefits after the transitional benefits period; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6 shall not be eligible for transitional benefits under this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by striking subsection (c) and inserting the following:

''(c) CERTIFICATION PERIOD.—

''(1) IN GENERAL.—'Certification period' means the period for which households shall be eligible to receive benefits under this Act.

''(2) DURATION.—

''(A) IN GENERAL.—A certification period shall not exceed 12 months, except that—

''(i) a certification period may be up to 24 months if all adult household members are elderly or disabled; and

''(ii) a certification period may be extended during the transitional benefits period under section 11(s).

''(B) EXTENSION.—The certification period may be extended to the end of a transitional benefits period established by a State under section 11(s).

''(3) CONTACT.—A State agency shall have at least 1 contact with each certified household—

''(A) at least once every 12 months; or

''(B) in a case in which the household is in a transitional benefits period under section 11(s), within the 6-month period beginning on the date on which cash assistance is terminated.''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 7. FOOD STAMP INFORMATION.

(a) TRAINING MATERIALS; NUTRITION INFORMATION.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) (as amended by section 6) is amended by adding at the end the following:

''(t) RESOURCES FOR STATE AGENCY EMPLOYEES.—The Secretary, in partnership with State agencies, shall develop training materials, guidebooks, and other resources for use by employees of State agencies that focus on issues of access and eligibility under the food stamp program.

''(u) NUTRITION INFORMATION.—The Secretary shall maintain a toll-free information number for individuals to call to obtain information concerning the nutrition programs.''.

(b) INTER-PROGRAM COORDINATION OF APPLICATION AND VERIFICATION PROCESS.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

''(e) PILOT PROJECTS FOR INTER-PROGRAM COORDINATION OF APPLICATION AND VERIFICATION PROCESS.—

''(1) IN GENERAL.—The Secretary shall provide the Federal shares of funds to States to carry out pilot projects under paragraph (2) to improve the application and verification process for low-income working households to participate in the food stamp program.

''(2) ELIGIBLE PROJECTS.—

''(A) INTER-PROGRAM APPLICATION PROCESS.—

''(i) APPLICATION AT ONE-STOP DELIVERY CENTERS.—The Secretary shall provide funding to not more than 5 States to conduct pilot projects to improve inter-program coordination by co-locating employees and automated systems necessary to accept complete initial processing of applications for assistance under this Act at centers in one-stop delivery systems established under section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)).

''(ii) APPLICATION FOR ASSISTANCE UNDER MEDICAID/SCHIP.—The Secretary shall provide funding to not more than 5 States to conduct pilot projects to improve inter-program coordination by co-locating employees and automated systems necessary to accept complete initial processing of applications for assistance under this Act at locations where applications are received for assistance under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.).

''(B) INTER-PROGRAM VERIFICATION PROCESS.—

''(i) IN GENERAL.—The Secretary shall provide funding to not more than 5 States to conduct pilot projects to reduce administrative burdens on low-income working households by coordinating, to the maximum extent practicable, verification practices under this Act and verification practices under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.).

''(ii) ELIGIBILITY.—To be eligible to conduct a pilot project under clause (i), a State must have an automation system with the capacity to verify through electronic records the most common sources of incomes under this Act and titles XIX and XXI of the Social Security Act.

''(iii) ADMINISTRATION.—The Secretary and the Secretary of Health and Human Services shall adjust procedures under this Act and titles XIX and XXI of the Social Security Act, to the extent each of the Secretaries determines appropriate, to facilitate pilot projects under clause (i).

''(3) PREFERENCES.—In selecting pilot projects under this subsection, the Secretary shall provide a preference to projects that—

''(A) operate in rural areas; or

''(B) benefit low-income households residing in remote rural areas.

''(4) WAIVER.—To reduce travel and paperwork burdens on eligible households, the Secretary may waive requirements under sections 6(c) and 11(e)(3) for pilot projects conducted under this subsection.

''(5) EVALUATION OF PILOT PROJECTS.—Any State conducting a pilot project under this subsection shall provide to the Secretary, in accordance with standards established by the Secretary, an evaluation of the effectiveness of the project.

''(6) FUNDING.—Of funds made available under section 18 for each of fiscal years 2001 and 2002, the Secretary shall use—

''(A) $10,000,000 to pay 75 percent of the additional costs incurred by State agencies to conduct pilot projects under paragraph 2(A); and

''(B) $500,000 to pay 75 percent of the costs of evaluating pilot projects conducted under paragraph 2(B).''.

(c) INNOVATIVE PARTICIPATION STRATEGIES.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following:

''(l) INNOVATIVE OUT-OF-OFFICE APPLICATION AND PARTICIPATION STRATEGIES.—

''(1) IN GENERAL.—The Secretary shall conduct demonstration projects to evaluate the feasibility and desirability of allowing eligible households to participate in the food stamp program through the use of the Internet and telephones instead of through in-office visits and interviews.

''(2) PREFERENCES.—The Secretary shall provide a preference under this subsection to projects that—

''(A)(i) are conducted in rural areas; or

''(ii) serve eligible households in remote locations; and

''(B) are collaborative efforts between State agencies and nonprofit community groups.

''(m) GRANTS FOR PARTNERSHIPS AND TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary shall provide grants to State agencies and nonprofit organizations to conduct projects to improve access to the food stamp program through partnerships and innovative technology.

''(2) PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to projects that focus on households with low food stamp participation.

''(n) GRANTS FOR COMMUNITY PARTNERSHIPS AND INNOVATIVE OUTREACH STRATEGIES.—

''(1) ESTABLISHMENT.—The Secretary shall establish a program to award grants to eligible organizations described in paragraph (2)—

''(A) to develop and test innovative strategies to ensure that low-income needy eligible households that contain 1 or more members that are former or current recipients of benefits under a State program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) continue to receive benefits under this Act if the households meet the requirements of this Act;

''(B) to help ensure that households that have applied for benefits under a State program established under part A of title IV of the Social Security Act, but that did not receive the benefits because of State requirements or ineligibility for the benefits, are aware of the availability of, and are provided assistance in receiving, benefits under this

Act if the households meet the requirements of this Act;

''(C) to conduct outreach to households with earned income that is at or above the income eligibility limits for benefits under a State program established under part A of title IV of the Social Security Act if the households meet the requirements of this Act; and

''(D) to conduct outreach to households with children if the households meet the requirements of this Act.

''(2) ELIGIBLE ORGANIZATIONS.—

''(A) IN GENERAL.—Grants under paragraph (1) may be provided to—

''(i) food banks, food rescue organizations, faith-based organizations, and other organizations that supply food to low-income households;

''(ii) schools, school districts, health clinics, non-profit day care centers, Head Start agencies under the Head Start Act (42 U.S.C. 9831 et seq.), Healthy Start agencies under section 301 of the Public Health Service Act (42 U.S.C. 241), and State agencies and local agencies providing assistance under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

''(iii) local agencies that operate child nutrition programs (as those terms are defined in section 25(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f(b)); and

''(iv) other organizations designated by the Secretary

''(B) GEOGRAPHICAL DISTRIBUTION OF RECIPIENTS.—

''(i) IN GENERAL.— Subject to clause (ii), the Secretary shall select, from all eligible applications, at least 1 recipient to receive a grant under this subsection from—

''(I) each region of the Department of Agriculture; and

''(II) in addition to recipients selected under subclause (I), each rural or urban area determined to be appropriate by the Secretary.

''(ii) EXCEPTION.—The Secretary shall not be required to award grants based on the geographical guidelines under clause (i) to the extent that the Secretary determines that an insufficient number of eligible grant applications has been received.

''(3) CRITERIA.—The Secretary shall develop criteria for awarding grants under paragraph (1) that are based on—

''(A) the demonstrated record of an organization in serving low-income households;

''(B) the ability of an organization to reach hard-to-serve households;

''(C) the level of innovation in the proposals submitted in the application of an organization for a grant; and

''(D) the development of partnerships between the public and private sector entities and the community.

''(4) ADMINISTRATION.—

''(A) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available for the grant program under paragraph (5) shall be used by the Secretary for administrative costs incurred in carrying out this subsection.

''(B) PROGRAM EVALUATIONS.—

''(i) IN GENERAL.—The Secretary shall conduct evaluations of programs funded by grants under this subsection.

''(ii) LIMITATION.—Not more than 20 percent of funds made available for the grant program under paragraph (5) shall be used for program evaluations under clause (i).

''(5) FUNDING.—Of funds made available under section 18 for each of fiscal years 2001 and 2002, the Secretary shall use $10,000,000 to carry out the grant program under this subsection.''.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS FOR ADDITIONAL COMMODITIES UNDER EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 214 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7515) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—In addition to any other funds that are made available to carry out this section, there are authorized to be appropriated to purchase and make available additional commodities under this section $20,000,000 for each of fiscal years 2002 through 2006.

''(2) DIRECT EXPENSES.—Not less than 50 percent of the amount made available under paragraph (1) shall be used to pay direct expenses (as defined in section 204(a)(2)) incurred by emergency feeding organizations to distribute additional commodities to needy persons.''.

By Mrs. CLINTON (for herself, Mr. WELLSTONE, and Mr. DODD):

S. 584. A bill to designate the United States courthouse located at 40 Centre Street in New York, New York, as the ''Thurgood Marshall United States Courthouse''; to the Committee on Environment and Public Works.

Mrs. CLINTON. Mr. President, it is an honor to be here today in order to join my colleague Congressman ELIOT ENGEL and other members of the New York Delegation in introducing a bill that would designate the U.S. Courthouse situated at 40 Centre Street in New York City the Thurgood Marshall United States Courthouse.

The courthouse on 40 Centre Street is the site where Thurgood Marshall served from 1961 to 1965 during his tenure on the U.S. Second Circuit Court of Appeals. For over 30 years of his life, Thurgood Marshall worked in New York, first as chief counsel of the NAACP, and later as a Justice on the Second Circuit Court of Appeals.

President Kennedy nominated Thurgood Marshall to serve on the federal bench in a recess appointment—at the time there was resistance to an African American being named to the federal appeals court. Robert Kennedy was Thurgood Marshall's sponsor, and sat beside him in a show of support throughout his confirmation hearing. The Senate eventually confirmed his nomination.

Later, President Johnson went on to name Justice Marshall Solicitor General of the United States, and then to nominate him as the first African American to serve on the United States Supreme Court. There, he became one of the most influential and respected justices of this past century. In a tribute to Justice Marshall, Chief Justice Rehnquist said:

Inscribed above the front entrance to the Supreme Court building are the words ''Equal Justice Under Law.'' Surely, no one individual did more to make these words a reality than Thurgood Marshall.

It is amazing to think that a little boy who grew up under the iron grip of Jim Crow, a talented student who was denied admission to the University of Maryland's Law School because of his race and went on to graduate at the top of his law class at Howard University, charted a course in the courts that led the way for the Civil Rights Movement to put an end to the segregation that had plagued our country for so long.

Thurgood Marshall will always be our nation's preeminent civil rights lawyer. He won 29 of the 32 cases he argued before the Supreme Court. During his time with the NAACP, he argued one of the hallmark court cases of our time, Brown v. Board of Education, which declared segregation illegal.

For those of us who were alive then, we will forever have etched in our consciousness images of the Little Rock Nine, and the sheer courage of those children who would not be deterred from their efforts to integrate Central High School. As foot soldiers of the first true test of Brown v. Board of Education, the Little Rock Nine will always be American heroes. And so will Thurgood Marshall, whose brilliance and persistence in the courtroom made possible the eventual success of the civil rights movement, as it took root in small towns and large cities all across America.

Thurgood Marshall was a role model to all who knew him in the way that he carried himself and treated his coworkers and friends. He was known for his casualness, and his ability to put people at ease. And he enjoyed life—his son, Thurgood Marshall, Jr., has shared with me the love his father held for New York City and the joy he found there. I had the privilege of attending his memorial service, and saw that 85 of his former law clerks were there. This is a great testament to Thurgood Marshall, and I believe they, and all the good works they do, may be one of his greatest legacies.

New Yorkers will be proud to have a courthouse named after a man who committed himself to attaining equal opportunity for every American. For many years of his life, Thurgood Marshall was denied access to the institutions, restaurants and hotels in New York City and elsewhere. But he always found an open door at the courthouse, and he never gave up on his belief that he could right the nation's wrongs through the courts. There could not be a more fitting tribute than to name a courthouse in New York City, a city at the forefront of so many national and global movements, after Thurgood Marshall, an American hero and visionary whose work embodies the spirit of our country.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 584

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

SECTION 1. DESIGNATION OF THURGOOD MARSHALL UNITED STATES COURTHOUSE.

The United States courthouse located at 40 Centre Street in New York, New York, shall

be known and designated as the ''Thurgood Marshall United States Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the Thurgood Marshall United States Courthouse.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I commend my colleagues from New York and our colleagues in the House, Congressman ENGEL, for their introduction of this bill. I compliment my friend from New York for her wonderful remarks about Thurgood Marshall, who has been an inspiration for a generation of us who grew up watching him change the law of this country, making a difference in the lives of millions and millions of people but also for generations to come, who will remember and reflect on his work as an inspiration in their time to redress the wrongs of their age.

It is appropriate, proper, and fitting that this building in New York that houses the Federal judiciary be named for such an inspiring figure of our times.

I commend the Senator from New York for offering this, for her words today, and my compliments to Thurgood Marshall's family. Thurgood Marshall, Jr. has been a great friend to many of us here and has been a wonderful public servant in his own right. He carries on the great tradition his father carried as a judge and Member of the U.S. Supreme Court.

I ask unanimous consent I be allowed to be a cosponsor of this bill.

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

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank Senator CLINTON for her words about Thurgood Marshall. I certainly also would like to be a cosponsor of this. I recommend on the floor of the Senate, if it is appropriate, Juan Williams' wonderful biography of Thurgood Marshall that I read about 6 months ago, which was a very inspiring biography because it was about such an inspiring civil rights leader and great judge.

I thank the Senator from New York for her remarks.

By Mr. DODD:

S. 586. A bill to authorize negotiation for the accession of Chile to the North American Free Trade Agreement, to provide for fast track consideration, and for other purposes; to the Committee on Finance.

Mr. DODD. Mr. President, I rise today to reintroduce legislation I authored last year to enable the President to admit Chile into NAFTA. Nearly 6 years ago, a bipartisan majority of this body ratified the North American Free Trade Agreement. Since then the promises of new jobs, increased exports, lower tariffs and a clearer environment have all been realized. In other words, Mr. President, NAFTA has succeeded despite the predictions of some that America could not compete in today's global economy.

As I said last year, with the success of NAFTA as a backdrop, it is now high time to move forward and expand the free trade zone to other countries in our hemisphere. To help accomplish that important goal, my legislation will authorize and enable the President to move forward with negotiations on a free trade agreement with Chile.

President Bush has stated time and again that he wants to increase ties with Latin America and more fully engage our neighbors to the South. Western Hemisphere trade ministers are planning to develop a draft proposal for a Free Trade Area of the Americas at their ministerial meeting in Buenos Aires in April. This draft will then be considered by Western Hemisphere leaders at the third Summit of the Americas in Quebec City at the end of that month. I hope that this summit bears fruit. Indeed, I have been working toward a free trade agreement of the Americas for many years. We should quickly take the first step toward economic integration with our Southern neighbors by including Chile, who has been in negotiations to join NAFTA since early January, in our North American trade agreement.

Chile is surely worthy of membership in NAFTA. In fact, Chile has already signed a free trade agreement with Canada in 1996. And, in addition, Chile has also put in place a free trade agreement with Mexico. After a brief slowdown last year, today the Chilean economy is growing at a healthy annual rate of more than 6 percent. Chile is noted for its concern for preserving the environment, and has put in place environmental protections that are laudable. Chile's fiscal house is in order as evidenced by a balanced budget, strong currency, strong foreign reserves, and continued inflows of foreign capital, including significant direct investment.

In addition, Chile has already embraced the ideals of free trade. Since 1998, the Chilean tariff on goods from countries with which Chile does not yet have a free trade agreement has fallen from 11 percent to 8 percent. That tariff is scheduled to continue to fall by a point a year until it reaches 6 percent in 2003. While some goods are still assessed at a higher rate, the United States does a brisk export business to Chile, sending approximately $3.6 billion in American goods to that South American nation. That represents 24 percent of Chile's imports. That $3.6 billion in exports represents thousands of American jobs across the Nation.

Our firm belief in the importance of democracy continues to drive our foreign policy. After seventeen years of dictatorship, Chile returned to the family of democratic nations following the 1988 plebiscite. Today, the President and the legislature are both popularly elected and the Chilean armed forces effectively carry out their responsibilities as mandated in Chile's Constitution. American investment and trade cay play a critical role in building on Chile's political and economic successes.

It is unrealistic to think that the President will have the ability to negotiate a free trade agreement without fast track authority. Nor should we ask Chilean authorities to conduct negotiations under such circumstances. Therefore, the bill I am introducing today will provide President Bush with a limited fast track authority which will apply only to this specific treaty. I believe that fast track is key to enabling the President to negotiate the most advantageous trade agreements, and should therefore be re-authorized. At this point, however, there are stumbling blocks we must surmount before generic fast track can be re-authorized. Those stumbling blocks should not be allowed to stand in the way of free trade with Chile.

Naysayers claim that free trade prompts American business to move overseas and costs American workers their jobs. They will tell you that America, the Nation with the largest and strongest economy, the best workers, and the greatest track record of innovation cannot compete with other nations.

The past 6½ years since we ratified NAFTA have proven them wrong. Today, tariffs are down and exports are up. The environment in North America is cleaner. Most importantly, NAFTA has created 710,000 new American jobs all across the Nation.

The many successes of NAFTA are an indication of the potential broader free trade agreements hold for our economy. Furthermore, trade and economic relationships foster American influence and support our foreign policy. In other words, this bill represents new American jobs in every state in the nation, a stronger American economy and greater American influence in our own Hemisphere. I urge my colleagues to support this bill.

By Mr. CONRAD (for himself, Mr. THOMAS, Mr. DASCHLE, Mr. JOHNSON, and Mr. ROBERTS):

S. 587. A bill to amend the Public Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas; to the Committee on Finance.

Mr. CONRAD. Mr. President, today I am introducing the Sustaining Access to Vital Emergency Medical Services Act of 2001. This bill would take important steps to strengthen the emergency medical service system in rural communities and across the Nation.

Across America, emergency medical care reduces human suffering and saves lives. According to recent statistics, the average U.S. citizen will require the services of an ambulance at least

twice during his or her life. As my colleagues surely know, delays in receiving care can mean the difference between illness and permanent injury, between life and death. In rural communities, which often lack access to local health care services, the need for reliable EMS is particularly critical.

Over the next few decades, the need for quality emergency medical care in rural areas is projected to increase as the elderly population in these communities continues to rise. Unfortunately, while the need for effective EMS systems may increase, we have seen the number of individuals able to provide these services decline. Nationwide, the majority of emergency medical personnel are unpaid volunteers. As rural economies continue to suffer, and individuals have less and less time to devote to volunteering, it has become increasingly difficult for rural EMS squads to recruit and retain personnel. In my State of North Dakota, this phenomenon has resulted in a sharp reduction in EMS squad size. In 1980, on average there were 35 members per EMS squad; today, the average squad size has plummeted to 12 individuals per unit. I am concerned that continued reductions in EMS squad size could jeopardize rural residents' access to needed medical services.

For this reason, the legislation I am introducing today includes measures to help communities recruit, retain, and train EMS providers. My bill would establish a Rural Emergency Medical Services Training and Equipment Assistance program. This program would authorize $50 million in grant funding for fiscal years 2002–2007, which could be used in rural EMS squads to meet various personnel needs. For example, this funding could help cover the costs of training volunteers in emergency response, injury prevention, and safety awareness; volunteers could also access this funding to help meet the costs of obtaining State emergency medical certification. In addition, EMS squads would be offered the flexibility to use grant funding to acquire new equipment, such as cardiac defibrillators. This is particularly important for rural squads that have difficulty affording state-of-the-art equipment that is needed for stabilizing patients during long travel times between the rural accident site and the nearest medical facility. This grant funding could also be used to provide community education training in CPR, first aid or other emergency medical needs.

In addition, this legislation takes steps to help ensure emergency medical providers are fairly reimbursed for ambulance services provided to Medicare, Medicare+Choice, and Medicaid managed care beneficiaries. As you may know, the Balanced Budget Act required that Medicare+Choice and Medicaid managed care plans provide payment for emergency services that a ''prudent layperson'' would determine are medically needed. However, regulations implementing this requirement did not include ambulance services within the definition of ''emergency services.'' Because of this oversight, ambulance providers are sometimes left in the difficult position of providing services to individuals who, by any rational review, appear to need immediate medical attention. However, when it is later determined that the patient's symptoms were the result of heartburn, for example, rather than a serious heart condition, the ambulance provider is denied payment for services. This is simply unfair.

While it is certainly important that EMS providers take care not to provide unnecessary services, it is unfair to deny ambulance providers payment when they provide immediate emergency services to individuals who appear tin serious need of medical care. In my State, EMS providers are operating on tight budgets and cannot afford to provide high levels of uncompensated care. To ensure EMS services remain available, particularly in underserved rural areas, we must ensure that EMS providers are appropriately reimbursed for the care they provide to our communities. For this reason, my legislation would revise the ''prudent layperson'' definition to include ambulance services. This change will ensure that ambulance providers who provide care in situations where a responsible observer would deem this care medically necessary receive reimbursement under traditional Medicare, Medicare+Choice, and Medicaid managed care.

It is my hope that the Sustaining Access to Vital Emergency Medical Services Act will help ensure EMS providers can continue providing quality medical care to our communities. I am happy to say that this legislation is supported by the National Association of State EMS Directors, the National Rural Health Association, and the American Ambulance Association. I am also pleased that Senators THOMAS, DASCHLE, JOHNSON, and others are joining me in this effort. I urge my colleagues to support this important piece of legislation.

Mr. THOMAS. Mr. President, I am pleased to rise today to introduce ''The Sustaining Access to Vital Emergency Medical Services Act of 2001'' with Senators CONRAD, DASCHLE, ROBERTS and JOHNSON. As with all rural health legislation I have worked on, I am proud of the bipartisan effort behind this bill.

''The Sustaining Access to Vital Emergency Medical Services Act of 2001'' will provide assistance to rural providers to maintain access to important emergency medical services, EMS. This legislation is necessary because rural EMS providers are primarily volunteers who have difficulty recruiting, retaining and educating EMS personnel. Rural EMS providers also have less capital to buy and upgrade essential, life-saving equipment.

The first section of this legislation is the authorization of an annual $50 million competitive grant program. Grantees can use these funds for recruiting volunteers, training emergency personnel, using new technologies to educate providers, acquiring EMS vehicles such as ambulances and acquiring emergency medical equipment. I think it is important to note that all of the above eligible uses of funds were priority concerns of State EMS Directors in a recently conducted Rural EMS Survey with recruitment and retention ranking as number one.

The second part of this legislation applies the prudent layperson standard for emergency services currently used in hospital emergency rooms to ambulance services. This provision will assist ambulance providers in collecting payments for transporting patients to the hospital after answering a 911 call regardless of the final diagnosis. This is a common sense approach and ensures that all aspects of emergency care are operating under the same definition of emergency.

I believe this legislation is an important part of ensuring rural residents have access to emergency services. It is also flexible so communities can decide for themselves what is their most imminent EMS need. Our bill is supported by the National Association of State EMS Directors, the National Rural Health Association and the American Ambulance Association. I strongly urge all my colleagues interested in rural health to consider cosponsoring ''The Sustaining Access to Vital Emergency Medical Services Act of 2001.''

By Mr. JEFFORDS (for himself, Mr. BREAUX, Mr. FRIST, Mrs. LINCOLN, Ms. SNOWE, Mr. CHAFEE, and Mr. CARPER):

S. 590. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs, and for other purposes; to the Committee on Finance.

Mr. JEFFORDS. Mr. President, today, I am pleased to join with my colleagues in introducing the Relief, Equity, Access, and Coverage for Health, REACH, Act, a bipartisan bill that will provide low and middle income Americans with refundable tax credits for the purchase of health insurance coverage.

New Census Bureau data indicate that there are now 43 million Americans with no health coverage. And, for the third straight year, insurance premiums for employer-sponsored coverage have increased significantly, by as much as 10 to 13 percent. We know from past experience that premium increases cause people to lose their health insurance. By some estimates, as many as 3 million Americans will lose coverage for every 10 percent increase in premiums.

With premiums increasing and the economy uncertain, the problem could worsen. The impact of these numbers is very real for American families. The uninsured often go without needed health care or face unaffordable medical bills. Access to health coverage for

the uninsured must be one of our nation's top priorities.

The REACH tax credit is targeted to those who are most in need of help, Americans who earn too much to qualify for public programs, but nevertheless struggle to pay for health insurance. Without additional resources, health insurance coverage is either beyond their reach or only purchased by giving up other basic necessities of life.

The REACH Act makes a refundable tax credit available to more than 20 million Americans who do not have access to employer-sponsored insurance and who are ineligible for public programs. The amount of the credit for this group is $1,000 for individuals with adjusted gross incomes of up to $35,000 to purchase self-only coverage, and $2,500 for taxpayers with an AGI of up to $55,000 to purchase family coverage.

We also want to help hard working Americans who have access to employer-subsidized insurance, but have difficulty paying for their share of the premiums. Over 7 million Americans decline insurance offered by their employers. To relieve their financial burden, the REACH Act provides a refundable tax credit of $400 for the purchase of self-only coverage and $1,000 for the purchase of family coverage under the employer's group health plan.

Initial estimates indicate this legislation will provide coverage to more than 10 million Americans who are presently uninsured. In addition, it will give needed financial relief to over 60 million low and moderate income working Americans who are using their own scarce dollars to buy health insurance coverage today.

The REACH Act provides a bipartisan, market-based solution to a complex problem. It will bolster the private health insurance market and strengthen employer-sponsored coverage, the cornerstone of our nation's health care system. While this legislation will not solve the entire problem, it is clearly a substantial step in the right direction. I will continue to work with my colleagues to tackle this problem on other fronts, including strengthening the safety net, working to make Medicaid and SCHIP more effective programs, and fighting to provide a prescription drug benefit for Medicare beneficiaries.

I look forward to working with my colleagues on enacting the REACH Act into law this year. 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. 590

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 ''Relief, Equity, Access, and Coverage for Health (REACH) Act''.

SEC. 2. REFUNDABLE HEALTH INSURANCE COSTS CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by redesignating section 35 as section 36 and inserting after section 34 the following new section:

''SEC. 35. HEALTH INSURANCE COSTS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the amount paid by the taxpayer during the taxable year for qualified health insurance for the taxpayer and the taxpayer's spouse and dependents.

''(b) LIMITATIONS.—

''(1) MAXIMUM DOLLAR AMOUNT.—

''(A) IN GENERAL.—The amount allowed as a credit under subsection (a) to the taxpayer for the taxable year shall not exceed the sum of the monthly limitations for coverage months during such taxable year.

''(B) MONTHLY LIMITATION.—The monthly limitation for each coverage month during the taxable year is the amount equal to 1/12 of—

''(i) in the case of self-only coverage, $1,000, and

''(ii) in the case of family coverage, $2,500.

''(C) LIMITATION FOR EMPLOYEES WITH EMPLOYER SUBSIDIZED COVERAGE.—In the case of an individual who is eligible to participate in any subsidized health plan (within the meaning of section 162(l)(2)) maintained by any employer of the taxpayer or of the spouse of the taxpayer for any coverage month, subparagraph (B) shall be applied by substituting '$400' for '$1,000' and '$1,000' for '$2,500' for such month.

''(2) PHASEOUT OF CREDIT.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the amount which would be so taken into account for the taxable year as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for the preceding taxable year, over

''(II) $35,000 ($55,000 in the case of family coverage), bears to

''(ii) $10,000.

''(C) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined—

''(i) without regard to this section and sections 911, 931, and 933, and

''(ii) after application of sections 86, 135, 137, 219, 221, and 469.

''(3) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—In the case of a taxpayer who is eligible to deduct any amount under section 162(l) for the taxable year, this section shall apply only if the taxpayer elects not to claim any amount as a deduction under such section for such year.

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2002, each of the dollar amounts referred to in paragraphs (1)(B), (1)(C), and (2)(B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2001' for '1992'.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(c) COVERAGE MONTH DEFINED.—For purposes of this section—

''(1) IN GENERAL.—The term 'coverage month' means, with respect to an individual, any month if—

''(A) as of the first day of such month such individual is covered by qualified health insurance, and

''(B) the premium for coverage under such insurance, or any portion of the premium, for such month is paid by the taxpayer.

''(2) EXCLUSION OF MONTHS IN WHICH INDIVIDUAL IS ELIGIBLE FOR COVERAGE UNDER CERTAIN HEALTH PROGRAMS.—Such term shall not include any month during a taxable year with respect to an individual if, as of the first day of such month, such individual is eligible—

''(A) for any benefits under title XVIII of the Social Security Act,

''(B) to participate in the program under title XIX or XXI of such Act.

''(C) for benefits under chapter 17 of title 38, United States Code,

''(D) for benefits under chapter 55 of title 10, United States Code,

''(E) to participate in the program under chapter 89 of title 5, United States Code, or any similar program for State or local government employees, or

''(F) for benefits under any medical care program under the Indian Health Care Improvement Act or any other provision of law.

''(3) EXCLUSION OF MONTHS IN WHICH INDIVIDUAL IS IMPRISONED.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage (as defined in section 9832(b)(1)), including coverage under a COBRA continuation provision (as defined in section 9832(d)(1)).

''(e) MEDICAL SAVINGS ACCOUNT CONTRIBUTIONS.—

''(1) IN GENERAL.—If a deduction would (but for paragraph (2)) be allowed under section 220 to the taxpayer for a payment for the taxable year to the medical savings account of an individual, subsection (a) shall be applied by treating such payment as a payment for qualified health insurance for such individual.

''(2) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under section 220 for that portion of the payments otherwise allowable as a deduction under section 220 for the taxable year which is equal to the amount of credit allowed for such taxable year by reason of this subsection.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount which would (but for this paragraph) be taken into account by the taxpayer under section 213 for the taxable year shall be reduced by the credit (if any) allowed by this section to the taxpayer for such year.

''(2) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(3) COORDINATION WITH ADVANCE PAYMENT.—Rules similar to the rules of section 32(g) shall apply to any credit to which this section applies.

''(g) EXPENSES MUST BE SUBSTANTIATED.—A payment for insurance to which subsection (a) applies may be taken into account under this section only if the taxpayer substantiates such payment in such form as the Secretary may prescribe.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations under which—

''(1) an awareness campaign is established to educate the public, employers, insurance issuers, and agents or others who market health insurance about the requirements and procedures under this section, including—

''(A) criteria for insurance products and group health coverage which constitute qualified health insurance under this section,

''(B) procedures by which employers who do not offer health insurance coverage to their employees may assist such employees in securing qualified health insurance, and

''(C) guidelines for marketing schemes and practices which are appropriate and acceptable in connection with the credit under this section, and

''(2) periodic reviews or audits of health insurance policies and group health plans (and related promotional marketing materials) which are marketed to eligible taxpayers under this section are conducted for the purpose of determining—

''(A) whether such policies and plans constitute qualified health insurance under this section, and

''(B) whether offenses described in section 7276 occur.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO PAYMENTS FOR QUALIFIED HEALTH INSURANCE.

''(a) IN GENERAL.—Any person who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under creditable health insurance, shall make the return described in subsection (b) (at such time as the Secretary may by regulations prescribe) with respect to each individual from whom such payments were received.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of the individual from whom payments described in subsection (a) were received,

''(B) the name, address, and TIN of each individual who was provided by such person with coverage under creditable health insurance by reason of such payments and the period of such coverage,

''(C) the aggregate amount of payments described in subsection (a),

''(D) the qualified health insurance credit advance amount (as defined in section 7527(e)) received by such person with respect to the individual described in subparagraph (A), and

''(E) such other information as the Secretary may reasonably prescribe.

''(c) CREDITABLE HEALTH INSURANCE.—For purposes of this section, the term 'creditable health insurance' means qualified health insurance (as defined in section 35(d)) other than, to the extent provided in regulations prescribed by the Secretary, any insurance covering an individual if no credit is allowable under section 35 with respect to such coverage.

''(d) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required under subsection (b)(2)(A) to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person,

''(2) the aggregate amount of payments described in subsection (a) received by the person required to make such return from the individual to whom the statement is required to be furnished,

''(3) the information required under subsection (b)(2)(B) with respect to such payments, and

''(4) the qualified health insurance credit advance amount (as defined in section 7527(e)) received by such person with respect to the individual described in paragraph (2).

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(e) RETURNS WHICH WOULD BE REQUIRED TO BE MADE BY 2 OR MORE PERSONS.—Except to the extent provided in regulations prescribed by the Secretary, in the case of any amount received by any person on behalf of another person, only the person first receiving such amount shall be required to make the return under subsection (a).''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to payments for qualified health insurance),''.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of the next to last subparagraph, by striking the period at the end of the last subparagraph and inserting '', or'', and by adding at the end the following new subparagraph:

''(BB) section 6050T(d) (relating to returns relating to payments for qualified health insurance).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to payments for qualified health insurance.''.

(c) CRIMINAL PENALTY FOR FRAUD.—Subchapter B of chapter 75 of such Code (relating to other offenses) is amended by adding at the end the following new section:

''SEC. 7276. PENALTIES FOR OFFENSES RELATING TO HEALTH INSURANCE TAX CREDIT.

''Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for health insurance costs under section 35 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 162(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(6) ELECTION TO HAVE SUBSECTION APPLY.—No deduction shall be allowed under paragraph (1) for a taxable year unless the taxpayer elects to have this subsection apply for such year.''.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

''Sec. 35. Health insurance costs.

''Sec. 36. Overpayments of tax.''.

(4) The table of sections for subchapter B of chapter 75 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7276. Penalties for offenses relating to health insurance tax credit.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) PENALTIES.—The amendments made by subsections (c) and (d)(4) shall take effect on the date of the enactment of this Act.

SEC. 3. ADVANCE PAYMENT OF CREDIT TO ISSUERS OF QUALIFIED HEALTH INSURANCE.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. ADVANCE PAYMENT OF HEALTH INSURANCE CREDIT TO ISSUERS OF QUALIFIED HEALTH INSURANCE.

''(a) GENERAL RULE.—In the case of an eligible individual, the Secretary shall make payments to the health insurance issuer of such individual's qualified health insurance equal to such individual's qualified health insurance credit advance amount with respect to such issuer.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual—

''(1) who purchases qualified health insurance (as defined in section 35(c)), and

''(2) for whom a qualified health insurance credit eligibility certificate is in effect.

''(c) HEALTH INSURANCE ISSUER.—For purposes of this section, the term 'health insurance issuer' has the meaning given such term by section 9832(b)(2) (determined without regard to the last sentence thereof).

''(d) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement furnished by an individual to a qualified health insurance issuer which—

''(1) certifies that the individual will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) estimates the amount of such credit for such taxable year, and

''(3) provides such other information as the Secretary may require for purposes of this section.

''(e) QUALIFIED HEALTH INSURANCE CREDIT ADVANCE AMOUNT.—For purposes of this section, the term 'qualified health insurance credit advance amount' means, with respect to any qualified health insurance issuer of qualified health insurance, an estimate of the amount of credit allowable under section 35 to the individual for the taxable year which is attributable to the insurance provided to the individual by such issuer.

''(f) REQUIRED DOCUMENTATION FOR RECEIPT OF PAYMENTS OF ADVANCE AMOUNT.—No payment of a qualified health insurance credit advance amount with respect to any eligible individual may be made under subsection (a) unless the health insurance issuer provides to the Secretary—

''(1) the qualified health insurance credit eligibility certificate of such individual, and

''(2) the return relating to such individual under section 6050T.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of health insurance credit for purchasers of qualified health insurance.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

SEC. 4. COMBINATION OF COST OF SCHIP COVERAGE FOR A TARGETED LOW-INCOME CHILD WITH REFUNDABLE HEALTH INSURANCE COSTS CREDIT TO PURCHASE FAMILY COVERAGE.

(a) IN GENERAL.—Section 2105(c)(3) of the Social Security Act (42 U.S.C. 1397ee(c)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting such clauses appropriately;

(2) by striking ''Payment'' and inserting the following:

''(A) IN GENERAL.—Payment''; and

(3) by adding at the end the following new subparagraph:

''(B) COMBINATION OF COST OF PROVIDING CHILD HEALTH ASSISTANCE WITH REFUNDABLE HEALTH INSURANCE COSTS TAX CREDIT.—

''(i) IN GENERAL.—In the case of a targeted low-income child who is eligible for child health assistance and whose parent is eligible for the refundable health insurance costs tax credit provided under section 35 of the Internal Revenue Code of 1986, payment may be made to a State under subsection (a)(1) for payment by the State to a health insurance issuer that receives advance payment of such credit on behalf of the parent under section 7527 of the Internal Revenue Code of 1986, of an amount equal to the estimated cost of providing the child with child health assistance for a calendar year, but only if—

''(I) the health insurance issuer uses the State payment made under this subparagraph and the advance credit payment to provide family coverage for the parent and the targeted low-income child; and

''(II) the State establishes to the satisfaction of the Secretary that the conditions set forth in clauses (i) and (ii) of subparagraph (A) are met.

''(ii) DEFINITION OF HEALTH INSURANCE ISSUER.—In this subparagraph, the term 'health insurance issuer' has the meaning given such term in section 9832(b)(2) of the Internal Revenue Code of 1986 (determined without regard to the last sentence thereof).''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2002.

Mr. FRIST. Mr. President, I am pleased to join Senator JEFFORDS and my colleagues today in a bipartisan effort to address the growing number of individuals and families without health insurance coverage in this country.

The problem has been made clear. Despite last year's decline in America's uninsured population, there are still more than 43 million americans—one-sixth of our Nation's population, who do not have health insurance. We know that the majority of the uninsured, 32 of the 44 million, earn an annual income of under $50,000. We also know that the rising cost of health insurance is the single most important reason given for the lack of purchasing coverage. Many Americans simply cannot afford to buy health insurance.

The solutions are becoming clearer as well. A one-size-fits-all approach to expand health coverage and access to health care does not meet the various needs of the uninsured population. However, because our workforce is growing and evolving out of the older traditional models, we must look to common features of the uninsured population. Although more than 80 percent of the uninsured individuals come from families with at least one employed member, the majority of uninsured Americans do not have access to employer-sponsored health coverage. An additional seven million Americans have access to employer-provided health insurance but are, in many cases, unable to afford it. Therefore, my colleagues and I today are introducing the Relief, Equity, Access, and Coverage for Health, REACH, Act to build upon the current system of employer-based coverage which continues to be the main source of coverage for most Americans.

Our goal is to fill the coverage gaps that exist in the current system while also complementing and expanding the reach of the employment-based system. The central tenet of our proposal is a refundable tax credit for low-income Americans who are not offered a contribution for their insurance through their employer and do not receive coverage through Federal programs such as Medicaid or Medicare. For example, our proposal will help hard working Americans who cannot afford to buy coverage on their own, such as the part-time worker who is not offered employer-sponsored health insurance. We provide that worker with a $1,000 tax credit to purchase coverage. We help a young family with two children earning less than $50,000 a year by providing them with a $2,500 credit to purchase a health insurance policy for themselves and their children. In addition, the REACH Act also is designed to assist those Americans who do have access to employer-subsidized health insurance but, too often, decline it because they cannot afford the cost-sharing components. We provide these individuals and families with up to $400 annually for single coverage or $1,000 for themselves and their families. Overall it is estimated that these provisions would expand new health insurance to as many as 17 million previously uninsured Americans.

I appreciate the work my colleagues have done on this bill, and I look forward to seeing the REACH Act passed into law this year.

By Mr. SANTORUM (for himself, Mr. LIEBERMAN, Mr. HUTCHINSON, Mr. DURBIN, Mr. BROWNBACK, Ms. LANDRIEU, Mr. LUGAR, Mr. BAYH, and Mr. DEWINE):

S. 592. A bill to amend the Internal Revenue Code of 1986 to create Individual Development Accounts, and for other purposes; to the Committee on Finance.

Mr. SANTORUM. Mr. President, today, I am introducing with Senator JOE LIEBERMAN ''the Savings Opportunity and Charitable Giving Act of 2001.'' Other bipartisan cosponsors include Senators HUTCHINSON, DURBIN, BROWNBACK, LANDRIEU, LUGAR, and BAYH. Within a month of the White House's formation of the Office of Faith-Based and Community Initiatives, we are moving the process forward in Congress by the bipartisan introduction of the key tax relief provisions of the President's Faith-Based Initiatives including Individual Development Accounts, IDAs, which President Bush endorsed in his campaign as part of the New Prosperity Initiative. Representatives J.C. WATTS, Jr. and TONY HALL will be introducing a similar measure in the House of Representatives within the coming weeks. Beneficiary Choice expansion and other provisions will be pursued in a thoughtful manner but on a separate track from the tax provisions in the Senate.

Success in today's new economy is defined less and less by how much you earn and more and more by how much you own, your asset base. This is great news for the millions of middle-class homeowners who are tapped into America's economic success, but it is bad news for those who are simply tapped out, those with no assets and little hope of accumulating the means for upward mobility and real financial security. This widening asset gap was underscored in a report issued earlier this year by the Federal Reserve. The Fed found that while the net worth of the typical family has risen substantially in recent years, it has actually dropped substantially for low-income families.

For families with annual incomes of less than $10,000, the median net worth dipped from $4,800 in 1995 to $3,600 in 1998. For families with incomes between $10,000 and $25,000, the median net worth fell from $31,000 to $24,800 over the same period. The rate of home ownership among low-income families has dropped as well. For families making less than $10,000, it went from 36.1 percent to 34.5 percent from 1995 to 1998; for those making between $10,000 and $25,000, it fell from 54.9 percent to 51.7 percent.

How do we reverse this troubling trend? IDAs are the unfinished business of the Community Renewal and New Markets Empowerment initiatives which became law in December of 2000 and will increase job opportunities and renew hope in what have been hopeless places. But to sustain this hope, we must provide opportunities for individuals and families to build tangible assets and acquire stable wealth.

Our legislation is aimed at fixing our nation's growing gap in asset ownership, which keeps millions of low-income workers from achieving the American dream. Most public attention focuses on our growing income gap.

Though the booming American economy has delivered significant income gains to the nation's upper-income earners, lower-income workers have been left on the sidelines. This suggests to some that closing this divide between the have-mosts and the have-leasts is simply a matter of raising wages. But the reality is that the income gap is a symptom of a larger, more complicated problem.

How do we do this? We believe that the marketplace can provide such opportunity. Non-profit groups around the country have launched innovative private programs that are achieving great success in transforming the ''unbanked,'' people who have never had a bank account, into unabashed capitalists. Through IDAs, banks and credit unions offer special savings accounts to low-income Americans and match their deposits dollar-for-dollar. In return, participants take an economic literacy course and commit to using their savings to buy a home, upgrade their education or to start a business.

Thousands of people are actively saving today through IDA programs in about 250 neighborhoods nationwide. In one demonstration project undertaken by the Corporation for Enterprise Development, CFED, a leading IDA promoter, 1,300 families have already saved $329,000, which has leveraged an additional $742,000.

While the growth of IDAs has been encouraging, access to IDA programs is still limited and scattered across the nation. The IDA provision of this legislation will expand IDA access nationwide by providing a significant tax credit to financial institutions and community groups that offer IDA accounts. This credit would reimburse banks for the first $500 of matching funds they contribute, thus significantly lowering the cost of offering IDAs. Other state and private funds can also be used to provide an additional match to savings. It also benefits our economy, the long-term stability of which is threatened by our pitiful national savings rate. In fact, according to some estimates, every $1 invested in an IDA returns $5 to the national economy.

IDAs are matched savings accounts for working Americans restricted to three uses: 1. buying a first home; 2. receiving post-secondary education or training; or 3. starting or expanding a small business. Individual and matching deposits are not co-mingled; all matching dollars are kept in a separate, parallel account. When the account holder has accumulated enough savings and matching funds to purchase the asset, typically over two to four years, and has completed a financial education course, payments from the IDA will be made directly to the asset provider.

Financial institutions, or their contractual affiliates, would be reimbursed for all matching funds provided plus a limited amount of the program and administrative costs incurred, whether directly or through collaborations with other entities. Specifically, the IDA Tax Credit would be the aggregate amount of all dollar-for-dollar matches provided, up to $500 per person per year, plus a one-time $100 per account credit for financial education, recruiting, marketing, administration, withdrawals, etc., plus an annual $30 per account credit for the administrative cost of maintaining the account. To be eligible for the match, adjusted gross income may not exceed $20,000, single, $25,000, head of household, or $40,000, married.

President Bush has expressed support for IDAs in his campaign and we are working with the Administration to coordinate efforts to the fullest extent possible. Supporting groups include the Credit Union National Association, the Financial Services Roundtable, the Corporation for Enterprise Development, the National Association of Homebuilders, the National Center for Neighborhood Enterprise, the National Federation of Community Development Credit Unions, the National Council for La Raza, and others.

Individual Development Accounts, combined with other community development and wealth creation opportunities, are a first step towards restoring faith in the longstanding American promise of equal opportunity. That faith has been shaken by stark divisions of income and wealth in our society. With the leadership of President Bush and Speaker Hastert, I am hopeful, along with our other cosponsors, that Congress will take this first step toward restoring the long-cherished American ideals of rewarding hard work, encouraging responsibility, and expanding savings opportunity this year.

The Non-Itemizer Charitable Deduction provision will initially allow non-itemizers to deduct 50 percent of their charitable giving, after they exceed a cumulative total of $500 in annual donations, $1,000 for joint filers. The deduction will be phased into a 100 percent deduction over the course of 5 years in 10 percent increments. Under current law non-itemizers receive no additional tax benefit for their charitable contributions.

More than 84 million Americans cannot deduct any of their charitable contributions because they do not itemize their tax returns. In contrast, there are 34 million Americans who itemize and receive this benefit. For example, in Pennsylvania, there are nearly 4 million taxpayers who do not itemize deductions while slightly more than 1.5 million taxpayers do itemize.

While Americans are already giving generously to charities making a significant positive impact in our communities, this provision provides an incentive for additional giving and allows non-itemizers who typically have middle to lower middle incomes to also benefit from additional tax relief. In fact, non-itemizers earning less than $30,000 give the highest percentage of their household income to charity. It is estimated that restoring this tax relief provision to merely 50 percent which existed in the 1980's would encourage more than $3 billion of additional charitable giving a year. The phased in increase to 100 percent will result in even more additional giving. The floor is included because the standard personal deduction encompasses initial contributions.

One important dimension of promoting charitable efforts helping to revitalize our communities, empower individuals and families, and enhance educational opportunities is encouraging charitable giving. This legislation is a great opportunity to lower the tax burden on the many Americans who have not received any tax relief for their charitable contributions since 1986.

The IRA Charitable Rollover allows individuals to roll assets from an IRA into a charity or a deferred charitable gift plan without incurring any income tax consequences. The donation would be made to charity directly without ever withdrawing it as income and paying taxes on it.

The rollover can be made as an outright gift, for a charitable remainder annuity trust, charitable remainder unitrust or pooled income fund, or for the issuance of a charitable annuity. The donor would not receive a charitable deduction. This incentive should assist charitable giving in education, social service, and religious charitable efforts.

Food banks are finding it increasingly difficult to meet the demand for food assistance. In the past, food banks have benefitted from the inefficiencies of manufacturing, including the overproduction of merchandise and the manufacturing of cosmetically-flawed products. However, technology has made businesses and manufacturers significantly more efficient. Although beneficial to the company's bottomline, donations have lessened as a result. The fact is that the demand on our nation's church pantries, soup kitchens and shelter continues to rise, despite our economy.

According to an August 2000 report on Hunger Security by the U.S. Department of Agriculture, 31 million Americans, around 10 percent of our citizens, are living on the edge of hunger. Although this number has declined by 12 percent since 1995, everyone agrees that this figure remains too high.

Unfortunately, many food banks cannot meet this increased demand for food. A December '99 study by the U.S. Conference of Mayors found that requests for emergency food assistance increased by an average of 18 percent in American cities over the previous year and 21 percent of emergency food requests could not be met. Statistics by the United States Department of Agriculture show that up to 96 billion pounds of food goes to waste each year

in the United States. If a small percentage of this wasted food could be redirected to food banks, we could make important strides in our fight against hunger. In many ways, current law is a hindrance to food donations.

The tax code provides corporations with a special deduction for donations to food banks, but it excludes farmers, ranchers and restaurant owners from donating food under the same tax incentive. For many of these businesses, it is actually more cost effective to throw away food than donate it to charity. The hunger relief community believes that these changes will markedly increase food donations-whether it is a farmer donating his crop, a restaurant owner contributing excess meals, or a food manufacturer producing specifically for charity.

This bipartisan legislation was introduced separately by Senators Lugar and Leahy with 13 additional cosponsors including myself. It has been endorsed by a diverse set of organizations, including America's Second Harvest Food Banks, the Salvation Army, the American Farm Bureau Federation, the National Farmers Union, the National Restaurant Association, and the Grocery Manufacturers of America.

Under current law, when a corporation donates food to a food bank, it is eligible to receive a ''special rule'' tax deduction. Unfortunately, most companies have found that the ''special rule″ deduction does not allow them to recoup their actual production costs. Moreover, current law limits the ''special rule'' deduction only to corporations, thus prohibiting farmers, ranchers, small businesses and restaurant owners from receiving the same tax benefits afforded to corporations.

This provision would encourage additional food donations through three changes to our tax laws: This bill will extend the ''special rule'' tax deduction for food donations now afforded only to corporations to all business taxpayers, including farmers and restaurant owners. This legislation will increase the tax deduction for donated food from basis plus ° markup to the fair market value of the product, not to exceed twice the product's basis. This bill will codify the Tax Court ruling in Lucky Stores, Inc. v. IRS, in which the Court found that taxpayers should base the determination of fair market value of donated product on recent sales.

I would like to thank my colleagues for joining me in this important effort to increase savings opportunities for lower income working Americans, to encourage the charitable giving of all Americans, to provide additional resources for the charitable organizations which serve their communities, and to encourage additional donations of food to alleviate hunger. I would also encourage my other colleagues to consider supporting this important initiative.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 61—EXPRESSING THE SENSE OF THE SENATE THAT THE SECRETARY OF VETERANS AFFAIRS SHOULD RECOGNIZE BOARD CERTIFICATIONS FROM THE AMERICAN ASSOCIATION OF PHYSICIAN SPECIALISTS, INC., FOR PURPOSES OF THE PAYMENT OF SPECIAL PAY BY THE VETERANS HEALTH ADMINISTRATION

Mr. HUTCHINSON submitted the following resolution; which was referred to the Committee on Veterans' Affairs:

S. RES. 61

Whereas the United States has, in the course of its history, fought in many wars and conflicts to defend freedom and protect the interests of the Nation;

Whereas millions of men and women have served the Nation in times of need as members of the Armed Forces;

Whereas the service of veterans has been of vital importance to the Nation and the sacrifices made by veterans and their families should not be forgotten with the passage of time;

Whereas the obligation of the Nation to provide the best health care benefits to veterans and their families takes precedence over all else;

Whereas veterans deserve comprehensive and high-quality health care services;

Whereas the Secretary of Veterans Affairs only recognizes board certifications of allopathic physicians from specialty boards that are members of the American Board of Medical Specialties and board certifications of osteopathic physicians from specialty boards recognized by the Bureau of Osteopathic Specialists;

Whereas physicians not certified by the American Board of Medical Specialties or the Bureau of Osteopathic Specialists are not eligible for special pay for board certification;

Whereas there are other nationally recognized organizations that certify physicians for practice in areas of specialty;

Whereas the failure of the Secretary of Veterans Affairs to recognize board certifications from other nationally recognized organizations may limit the pool of qualified physicians from which the Department of Veterans Affairs can hire; and

Whereas not recognizing board certifications of other nationally recognized organizations, such as the American Association of Physician Specialists, Inc., may limit the ability of veterans to receive the highest quality health care: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Veterans Affairs should, for the purposes of the payment of special pay by the Veterans Health Administration, recognize board certifications from the American Association of Physician Specialists, Inc., to the same extent as the Secretary of Veterans Affairs recognizes board certifications from the American Board of Medical Specialties and the Bureau of Osteopathic Specialists.

Mr. HUTCHINSON. Mr. President, I rise today to offer a resolution concerning our nation's veterans' population and the quality of health care that they receive.

As a member of this Senate Veterans' Affairs Committee, the chairman of the Personnel Subcommittee on the Senate Armed Services Committee, as well as the former chairman of the Health and Hospitals Subcommittee on the House Veterans' Affairs Committee, I am very concerned that today's veterans' community receive the best possible health care coverage that we can provide.

Recently, it was brought to my attention that the Department of Veterans Affairs only recognizes two organizations for physician certification credentials. However, there are other organizations that have pressed the VA to consider their credentials and have been met with a closed door.

While it is my understanding that very recently the Department has rescinded this decision due to the VA General Counsel ruling it to be illegal, the VA still does not recognize other board certifications in the matter of specialty pay.

Within the last few weeks, Congressman JOE SCARBOROUGH, my good friend and former colleague, has introduced legislation on behalf of one of these excluded organizations, the American Association of Physician Specialists. His resolution addresses the issue of board certification recognitions by the new Secretary of the VA to include this organization in the list of organizations that are recognized for certification and special pay.

Today, I am pleased to offer the Senate counter-part to Congressman SCARBOROUOGH's legislation in the hopes that this vehicle may rectify a policy and system that seems faulty.

SENATE CONCURRENT RESOLUTION 27—EXPRESSING THE SENSE OF CONGRESS THAT THE 2008 OLYMPIC GAMES SHOULD NOT BE HELD IN BEIJING UNLESS THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA RELEASES ALL POLITICAL PRISONERS, RATIFIES THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS, AND OBSERVES INTERNATIONALLY RECOGNIZED HUMAN RIGHTS

Mr. HELMS (for himself, Mr. WELLSTONE, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 27

Whereas the International Olympic Committee is in the process of determining the venue of the Olympic Games in the year 2008 and is scheduled to make that decision at the International Olympic Committee meeting scheduled for Moscow in July 2001;

Whereas the city of Beijing has made a proposal to the International Olympic Committee that the summer Olympic Games in the year 2008 be held in Beijing;

Whereas the Olympic Charter states that Olympism and the Olympic ideal seek to foster ''respect for universal fundamental ethical principles'';

Whereas the United Nations General Assembly Resolution 48/11 (October 25, 1993) recognized ''that the Olympic goal of the Olympic Movement is to build a peaceful and

better world by educating the youth of the world through sport, practiced without discrimination of any kind and the Olympic spirit, which requires mutual understanding, promoted by friendship, solidarity, and fair play'';

Whereas United Nations General Assembly Resolution 50/13 (November 7, 1995) stressed ''the importance of the principles of the Olympic Charter, according to which any form of discrimination with regard to a country or a person on grounds of race, religion, politics, sex, or otherwise is incompatible with the Olympic Movement'';

Whereas the Department of State's Country Reports on Human Rights Practices for 2000 reports the following:

(1) ''The [Chinese] government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms.''.

(2) ''Abuses included instances of extra judicial killings, the use of torture, forced confessions, arbitrary arrest and detention, the mistreatment of prisoners, lengthy incommunicado detention, and denial of due process.''.

(3) ''The Government infringed on citizens' privacy rights.''.

(4) ''The Government maintained tight restrictions on freedom of speech and of the press, and increased its efforts to control the Internet; self-censorship by journalists continued.''.

(5) ''The Government severely restricted freedom of assembly and continued to restrict freedom of association.''.

(6) ''The Government continued to restrict freedom of religion and intensified controls on some unregistered churches.''.

(7) ''The Government continued to restrict freedom of movement.''.

(8) ''The Government does not permit independent domestic nongovernmental organizations (NGOs) to monitor publicly human rights conditions.''.

(9) ''[The Government has not stopped] violence against women (including coercive family planning practices—which sometimes include forced abortion and forced sterilization).''.

(10) ''The Government continued to restrict tightly worker rights, and forced labor in prison facilities remains a serious problem. Child labor exists and appears to be a growing problem in rural areas as adult workers leave for better employment opportunities in urban areas.''.

(11) ''Some minority groups, particularly Tibetan Buddhists and Muslim Uighurs, came under increasing pressure as the Government clamped down on dissent and 'separatist' activities.'';

Whereas the egregious human rights abuses committed by the Government of the People's Republic of China are inconsistent with the Olympic ideal;

Whereas 119 Chinese dissidents and relatives of imprisoned political prisoners, from 22 provinces and cities, issued an open letter on January 16, 2001, signed at enormous political risk which expresses the ''grief and indignation for each of China's political prisoners and their families'', asks the Chinese Government to release all of China's political prisoners, and asserts that the release of China's political prisoners will improve ''Beijing's stature in its bid for the 2008 Olympics''; and

Whereas although the Government of the People's Republic of China signed the International Covenant on Civil and Political Rights in 1998, but has failed to ratify the treaty, and has indicated that it will not fully implement the recently ratified International Covenant on Economic, Social and Cultural Rights: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) acknowledges and supports the January 16, 2001, open letter released by Chinese dissidents and the families of imprisoned Chinese political prisoners stating that the release of China's political prisoners would improve Beijing's stature in its bid to host the 2008 Olympic Games;

(2) expresses the view that, consistent with its stated principles, the International Olympic Committee should not award the 2008 Olympics to Beijing unless the Government of the People's Republic of China releases all of China's political prisoners, ratifies the International Covenant on Civil and Political Rights without major reservations, fully implements the International Covenant on Economic, Social and Cultural Rights, and observes internationally recognized human rights;

(3) calls for the creation of an international Beijing Olympic Games Human Rights Campaign in the event that Beijing receives the Olympics to focus international pressure on the Government of the People's Republic of China to grant a general amnesty for all political prisoners prior to the commencement of the 2008 Olympics as well as to ratify the International Covenant on Civil and Political Rights;

(4) calls on the Secretary of State to endorse publicly the creation of the Beijing Olympic Games Human Rights Campaign in the event that Beijing receives the Olympics, and to utilize all necessary diplomatic resources to encourage other nations to endorse and support the campaign as well, focusing particular attention on member states of the European Union and the Association of Southeast Asian Nations (ASEAN), Japan, Canada, Australia, the Nordic countries, and all other countries engaged in human rights dialogue with China;

(5) requests that the President, during his expected participation in the Asia-Pacific Economic Cooperation (APEC) Leaders Summit in Shanghai in October 2001, call for the release of all Chinese political prisoners and Chinese ratification of the International Covenant on Civil and Political Rights;

(6) recommends that the Congressional-Executive Commission on the People's Republic of China, established under title III of the U.S.-China Relations Act of 2000 (Public Law 106–286), devote significant resources to monitoring any violations of the rights of political dissidents and political prisoners, or other increased abuses of internationally recognized human rights, in the preparation to the 2008 Olympic Games and during the Olympic Games themselves; and

(7) directs the Secretary of the Senate to transmit a copy of this resolution to the senior International Olympic Committee representative in the United States with the request that it be circulated to all members of the Committee.

AMENDMENTS SUBMITTED AND PROPOSED

SA 123. Mr. WELLSTONE (for himself, Ms. CANTWELL, Mr. CORZINE, Mr. BIDEN, and Mrs. CLINTON) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

SA 124. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 27, supra; which was ordered to lie on the table.

SA 125. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 126. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 127. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 128. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 129. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 130. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 131. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 132. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 133. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 134. Mr. HATCH proposed an amendment to the bill S. 27, supra.

SA 135. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 27, supra; which was ordered to lie on the table.

SA 136. Mr. HATCH proposed an amendment to the bill S. 27, supra.

TEXT OF AMENDMENTS

SA 123. Mr. WELLSTONE (for himself, Ms. CANTWELL, Mr. CORZINE, Mr. BIDEN, and Mrs. CLINTON) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. STATE PROVIDED VOLUNTARY PUBLIC FINANCING.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

SA 124. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. ENHANCED REPORTING AND SOFTWARE FOR FILING REPORTS.

(a) ENHANCED REPORTING FOR CANDIDATES.—

(1) WEEKLY REPORTS.—Section 304(a)(2) of the Federal Election Campaign Act of 1971 (2

U.S.C. 434(a)(2)) is amended to read as follows:

''(2) PRINCIPAL CAMPAIGN COMMITTEES.—If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate, the treasurer shall file a report for each week of the election cycle that shall be filed not later than the 5th day after the last day of the week and shall be complete as of the last day of the week.''.

(2) PROMPT DISCLOSURE OF CONTRIBUTIONS.—Section 304(a)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)(A)) is amended—

(A) by striking ''of $1,000 or more'';

(B) by striking ''after the 20th day, but more than 48 hours before any election'' and inserting ''during the election cycle''; and

(C) by striking ''within 48 hours'' and inserting ''within 24 hours''.

(b) SOFTWARE FOR FILING OF REPORTS.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by adding at the end the following:

''(12) SOFTWARE FOR FILING OF REPORTS.—

''(A) IN GENERAL.—The Commission shall—

''(i) develop software for use to file a designation, statement, or report in electronic form under this Act; and

''(ii) make a copy of the software available to each person required to file a designation, statement, or report in electronic form under this Act.

''(B) REQUIRED USE.—Any person that maintains or files a designation, statement, or report in electronic form under paragraph (11) or subsection (d) shall use software developed under subparagraph (A) for such maintenance or filing.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 304(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by adding at the end the following:

''(C) The reports described in this subparagraph are as follows:

''(i) A pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election.

''(ii) A post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election.

''(iii) Additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year.''.

(2) Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended—

(A) in subsection (a)(3)(A)—

(i) in each of clauses (i) and (ii)—

(I) by striking ''paragraph (2)(A)(i)'' and inserting ''subparagraph (C)(i)''; and

(II) by striking ''paragraph (2)(A)(ii)'' and inserting ''subparagraph (C)(ii)''; and

(ii) in clause (ii), by striking ''paragraph (2)(A)(iii)'' and inserting ''subparagraph (C)(iii)'';

(B) in each of paragraphs (4)(B) and (5) of subsection (a), by striking ''paragraph (2)(A)(i)'' and inserting ''paragraph (3)(C)(i)''; and

(C) in subsection (a)(4)(B), by striking ''paragraph (2)(A)(ii)'' and inserting ''paragraph (3)(C)(ii)'';

(D) in subsection (a)(8), by striking ''paragraph (2)(A)(iii)'' and inserting ''paragraph (3)(C)(iii)'';

(E) in subsection (a)(9), by striking ''(2) or''; and

(F) in subsection (c)(2), by striking ''subsection (a)(2)'' and inserting ''subsection (a)(3)(C)''.

(3) Section 309(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(b)) is amended—

(A) by striking ''304(a)(2)(A)(iii)'' and inserting ''304(a)(3)(C)(iii)''; and

(B) by striking ''304(a)(2)(A)(i)'' and inserting ''304(a)(3)(C)(i)''.

SA 125. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. VOTER IDENTIFICATION REQUIRED.

Section 8(e) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-6(e)) is amended by adding at the end the following:

''(4) Any requirement under this section to make an oral or written affirmation regarding the address of a registrant shall include a requirement that such registrant present picture identification as part of such affirmation.''.

SEC. 306. VOTER ROLL COORDINATION DEMONSTRATION PROJECT.

(a) DEMONSTRATION PROJECT ESTABLISHED.—The Federal Election Commission shall establish a demonstration project for the purpose of determining the feasibility and advisability of requiring coordination of the official list of registered voters and certain State records to ensure—

(1) such list is accurate; and

(2) that eligible voters are not improperly removed from the official list.

(b) PROJECT.—

(1) IN GENERAL.—The project conducted under this section shall require a State to maintain accurate records regarding individuals eligible to vote in the project area by coordinating—

(A) State records of—

(i) individuals registered to vote with respect to elections for Federal office through the appropriate State motor vehicle authority under section 5 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–3);

(ii) deaths; and

(iii) individuals convicted of a felony; with

(B) the official list of the appropriate jurisdiction of individuals registered, and otherwise eligible, to vote in such elections.

(2) STUDY.—In conjunction with the demonstration project under this subsection, the Federal Election Commission shall conduct a study of—

(A) the current practices and methods of voting jurisdictions used to maintain official lists of registered voters; and

(B) reasons for any failure of such practices and methods to prevent voting fraud or inaccurate lists.

(c) PROJECT AREA AND DURATION.—

(1) PROJECT AREA.—The Federal Election Commission shall implement the project in the voting jurisdictions of St. Louis County, Missouri, and St. Louis City, Missouri.

(2) DURATION.—The project conducted under this section shall be implemented for a period ending on the date of the next general election for the office of President and Vice President.

(d) REPORT.—Not later than 1 year after the completion of the demonstration project, the Federal Election Commission shall submit a report to Congress on the demonstration project and study conducted under subsection (b) together with such recommendations as the Federal Election Commission determines appropriate—

(1) regarding resources, technology, and personnel necessary for maintenance of accurate records; and

(2) legislative and administrative action, including the feasibility of national standards.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SA 126. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. MAIL REGISTRATION.

(a) REQUIREMENT FOR FIRST-TIME VOTERS TO PRESENT IDENTIFICATION.—Section 6(c)(1) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4(c)(1)) is amended by striking ''a State may by law require a person to vote in person if'' and inserting ''a State shall by law require a person to vote in person and present a picture identification if''.

(b) REMOVAL OF VOTERS IN RESPONSE TO UNDELIVERED NOTICES.—

(1) IN GENERAL.—Section 6(d) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4(d)) is amended by striking ''may proceed'' and all that follows through the end and inserting the following: ''shall—

''(1) proceed in accordance with section 8(d); or

''(2) if provided for under State law, remove the name of the registrant from the official list of eligible voters in elections for Federal office provided that reasonable safeguards are available to prevent the removal of an eligible voter.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 8(a)(3)(C) of such Act (42 U.S.C. 1973gg-6(a)(3)(C)) is amended by inserting ''or section 6(d)(2)'' after ''paragraph (4)''.

(B) Section 8(c)(2)(B) of such Act (42 U.S.C. 1973gg-6(c)(2)(B)) is amended by inserting ''or section 6(d)(2)'' after ''subsection (a)''.

(c) CONTENTS OF MAIL VOTER REGISTRATION FORM.—Section 9(b)(3) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-7(b)(3)) is amended to read as follows:

''(3) may include a requirement for notarization or other formal authentication as each State may by law require; and''.

SEC. 306. MAINTENANCE OF ACCURATE LIST OF ELIGIBLE VOTERS.

(a) REQUIRED VOTER REMOVAL PROGRAM.—Section 8(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-(6)(a)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) conduct a program to determine whether the number of eligible voters in any jurisdiction is less than the number of eligible voters on the official list for such jurisdiction and, if such determination is made, remove the names of ineligible voters from such list in accordance with paragraph (4).''.

(b) NOTIFICATION OF FELONY CONVICTIONS.—Section 8(g) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-6(g)) is amended by adding at the end the following:

''(6) The Attorney General shall provide, upon request of any chief State election official, expedited access to applicable records regarding felony convictions of individuals in order to determine if an individual is eligible to vote under any applicable State law.''.

(c) ADDITIONAL PENALTY FOR CONSPIRACY.—Section 12(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-(10)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''process, by'' and inserting ''process'';

(2) in subparagraph (A), by inserting ''or knowingly and willfully conspires with another person to deprive, defraud, or attempt to deprive or defraud the residents of a State of a fair and impartially conducted election process, by'' before ''the procurement''; and

(3) in subparagraph (B), by inserting ''by'' before ''the procurement''.

SEC. 307. PENALTIES UNDER VOTING RIGHTS ACT.

(a) INCREASED PENALTIES.—Subsections (c) and (e)(1) of section 11 of the Voting Rights Act of 1965 (42 U.S.C. 1973i) are each amended by striking ''$10,000'' and inserting ''$30,000''.

(b) MISREPRESENTATION OF ELIGIBILITY.—Section 11(c) of the Voting Rights Act of 1965 (42 U.S.C. 1973i(c)) is amended by inserting ''or gives false information as to the individual's status as a convicted felon'' after ''voting district''.

SA 127. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. MODIFICATION OF REPORTING REQUIREMENTS.

(a) FILING DATE FOR REPORTS.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended—

(1) in paragraph (2)(A)(i), by striking ''(or posted by registered or certified mail no later than the 15th day before)'';

(2) in paragraph (4)(A)(ii), by striking ''(or posted by registered or certified mail no later than the 15th day before)''; and

(3) by striking paragraph (5) and inserting ''(5) [Repealed.]''.

(b) MONTHLY REPORTING BY MULTICANDIDATE POLITICAL COMMITTEES.—Section 304(a)(4)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(4)(B)) is amended by adding at the end the following: ''In the case of a multicandidate political committee that has received contributions aggregating $100,000 or more or made expenditures aggregating $100,000 or more, by January 1 of the calendar year, or anticipates receiving contributions aggregating $100,000 or more or making expenditures aggregating $100,000 or more during such year, the committee shall file monthly reports under this subparagraph.''.

(c) REPORTING OF CERTAIN EXPENDITURES.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by adding at the end the following:

''(12)(A)(i) A political committee, other than an authorized committee of a candidate, that has received contributions aggregating $100,000 or more or made expenditures aggregating $100,000 or more during the calendar year or anticipates receiving contributions aggregating $100,000 or more or making expenditures aggregating $100,000 or more during such year, shall notify the Commission in writing of any contribution in an aggregate amount equal to $1,000 or more received by the committee after the 20th day, but more than 48 hours, before any election.

''(ii) Notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the political committee, the identification of the contributor, and the date of receipt of the contribution.

''(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.''.

SA 128. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1)'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under paragraph (1) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SA 129. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. CIVIL ACTION.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended by adding at the end the following:

''(e) CIVIL ACTION.—

''(1) AUTHORITY TO BRING CIVIL ACTION.—If the Commission does not act to investigate or dismiss a complaint within 120 days after the complaint is filed, the person who filed the complaint may commence a civil action against the Commission in United States district court for injunctive relief.

''(2) ATTORNEY'S FEES.—The court may award the costs of the litigation (including reasonable attorney's fees) to a plaintiff who substantially prevails in the civil action.''.

SA 130. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. LIMIT ON TIME TO ACCEPT CONTRIBUTIONS.

(a) TIME TO ACCEPT CONTRIBUTIONS.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following:

''(i) TIME TO ACCEPT CONTRIBUTIONS.—

''(1) IN GENERAL.—A candidate for nomination for election, or election, to the Senate or House of Representatives shall not accept a contribution from any person during an election cycle in connection with the candidate's campaign except during a contribution period.

''(2) CONTRIBUTION PERIOD.—In this subsection, the term 'contribution period' means, with respect to a candidate, the period of time that—

''(A) begins on the date that is the earlier of—

''(i) January 1 of the year in which an election for the seat that the candidate is seeking occurs; or

''(ii) 90 days before the date on which the candidate will qualify under State law to be placed on the ballot for the primary election for the seat that the candidate is seeking; and

''(B) ends on the date that is 5 days after the date of the general election for the seat that the candidate is seeking.

''(3) EXCEPTIONS.—

''(A) DEBTS INCURRED DURING ELECTION CYCLE.—A candidate may accept a contribution after the end of a contribution period to make an expenditure in connection with a debt or obligation incurred in connection with the election during the election cycle.

''(B) ACCEPTANCE OF CONTRIBUTIONS IN RESPONSE TO OPPONENT'S CARRYOVER FUNDS.—

''(i) IN GENERAL.—A candidate may accept an aggregate amount of contributions before the contribution period begins in an amount equal to 125 percent of the amount of carryover funds of an opponent in the same election.

''(ii) CARRYOVER FUNDS OF OPPONENT.—In clause (i), the term 'carryover funds of an opponent' means the aggregate amount of contributions that an opposing candidate and the candidate's authorized committees transfers from a previous election cycle to the current election cycle.''.

(b) DEFINITION OF ELECTION CYCLE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 101(b), is amended by adding at the end the following:

''(25) ELECTION CYCLE.—The term 'election cycle' means the period beginning on the day after the date of the most recent general election for the specific office or seat that a candidate is seeking and ending on the date of the next general election for that office or seat.''.

SA 131. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. INDEPENDENT LITIGATION AUTHORITY.

Section 306(f) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)) is amended by striking paragraph (4) and inserting the following:

''(4) INDEPENDENT LITIGATING AUTHORITY.—

''(A) IN GENERAL.—Notwithstanding paragraph (2) or any other provision of law, the Commission is authorized to appear on the

Commission's behalf in any action related to the exercise of the Commission's statutory duties or powers in any court as either a party or as amicus curiae, either—

''(i) by attorneys employed in its office, or

''(ii) by counsel whom the Commission may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, and whose compensation shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission.

''(B) SUPREME COURT.—The authority granted under subparagraph (A) includes the power to appeal from, and petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears under the authority provided in this section.''.

SA 132. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. RESTRUCTURING OF THE FEDERAL ELECTION COMMISSION.

(a) IN GENERAL.—So much of section 306(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)) as precedes paragraph (2) is amended to read as follows:

''(a) COMPOSITION OF COMMISSION.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—There is established a commission to be known as the Federal Election Commission.

''(B) APPOINTMENT OF MEMBERS.—The Commission shall be composed of 7 members appointed by the President, by and with the advice and consent of the Senate, of which 1 member shall be appointed by the President from nominees recommended under subparagraph (C).

''(C) NOMINATIONS.—

''(i) IN GENERAL.—The Supreme Court shall recommend 10 nominees from which the President shall appoint a member of the Commission.

''(ii) QUALIFICATIONS.—The nominees recommended under clause (i) shall be individuals who have not, during the time period beginning on the date that is 5 years prior to the date of the nomination and ending on the date of the nomination—

''(I) held elective office as a member of the Democratic or Republican political party;

''(II) received any wages from the Democratic or Republican political party; or

''(III) provided substantial volunteer services or made any substantial contribution to the Democratic or Republican political party or to a public officeholder or candidate for public office who is associated with the Democratic or Republican political party.

''(D) LIMIT ON PARTY AFFILIATION.—Of the 6 members not appointed pursuant to subparagraph (C), no more than 3 members may be affiliated with the same political party.''.

(b) CHAIR OF COMMISSION.—Section 306(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(5)) is amended by striking paragraph (5) and inserting the following:

''(5) CHAIR; VICE CHAIR.—

''(A) IN GENERAL.—A member appointed under paragraph (1)(C) shall serve as chair of the Commission and the Commission shall elect a vice chair from among the Commission's members.

''(B) AFFILIATION.—The chair and the vice chair shall not be affiliated with the same political party.

''(C) VACANCY.—The vice chair shall act as chair in the absence or disability of the chair or in the event of a vacancy of the chair.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The term of the seventh member of the Federal Election Commission appointed under section 306(a)(1)(C) of the Federal Election Campaign Act of 1971, as added by subsection (a) of this section, shall begin on May 1, 2002.

(2) CURRENT MEMBERS.—Any member of the Federal Election Commission serving a term on the date of enactment of this Act (or any successor of such term) shall continue to serve until the expiration of the term.

SA 133. Mr. CLELAND submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. REQUIRED CONTRIBUTOR CERTIFICATION.

Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

(A) by striking ''and'' the first place it appears; and

(B) by inserting '', and an affirmation that the individual is an individual who is not prohibited by sections 319 and 320 from making the contribution'' after ''employer''; and

(2) in subparagraph (B) by inserting ''and an affirmation that the person is a person that is not prohibited by sections 319 and 320 from making a contribution'' after ''such person''.

SA 134. Mr. HATCH proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

Beginning on page 35, strike line 8 and all that follows through page 37, line 14, and insert the following:

SEC. 304. DISCLOSURE OF AND CONSENT FOR DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by inserting after section 304 the following:

''SEC. 304A. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

''(a) DISCLOSURE.—Any corporation or labor organization (including a separate segregated fund established and maintained by such entity) that makes a disbursement for political activity or a contribution or expenditure during an election cycle shall submit a written report for such cycle—

''(1) in the case of a corporation, to each of its shareholders; and

''(2) in the case of a labor organization, to each employee within the labor organization's bargaining unit or units;

disclosing the portion of the labor organization's income from dues, fees, and assessments or the corporation's funds that was expended directly or indirectly for political activities, contributions, and expenditures during such election cycle.

''(b) CONSENT.—

''(1) PROHIBITION.—Except with the separate, prior, written, voluntary authorization of a stockholder, in the case of a corporation, or an employee within the labor organization's bargaining unit or units in the case of a labor organization, it shall be unlawful—

''(A) for any corporation described in this section to use funds from its general treasury for the purpose of political activities; or

''(B) for any labor organization described in this section to collect from or assess such employee any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

''(2) EFFECT OF AUTHORIZATION.—An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

''(c) CONTENTS.—

''(1) IN GENERAL.—The report submitted under subsection (a) shall disclose information regarding the dues, fees, and assessments spent at each level of the labor organization and by each international, national, State, and local component or council, and each affiliate of the labor organization and information on funds of a corporation spent by each subsidiary of such corporation showing the amount of dues, fees, and assessments or corporate funds disbursed in the following categories:

''(A) Direct activities, such as cash contributions to candidates and committees of political parties.

''(B) Internal and external communications relating to specific candidates, political causes, and committees of political parties.

''(C) Internal disbursements by the labor organization or corporation to maintain, operate, and solicit contributions for a separate segregated fund.

''(D) Voter registration drives, State and precinct organizing on behalf of candidates and committees of political parties, and get-out-the-vote campaigns.

''(2) IDENTIFY CANDIDATE OR CAUSE.—For each of the categories of information described in a subparagraph of paragraph (1), the report shall identify the candidate for public office on whose behalf disbursements were made or the political cause or purpose for which the disbursements were made.

''(3) CONTRIBUTIONS AND EXPENDITURES.—The report under subsection (a) shall also list all contributions or expenditures made by separated segregated funds established and maintained by each labor organization or corporation.

''(d) TIME TO MAKE REPORTS.—A report required under subsection (a) shall be submitted not later than January 30 of the year beginning after the end of the election cycle that is the subject of the report.

''(e) DEFINITIONS.—In this section:

''(1) ELECTION CYCLE.—The term 'election cycle' means, with respect to an election, the period beginning on the day after the date of the previous general election for Federal office and ending on the date of the next general election for Federal office.

''(2) POLITICAL ACTIVITY.—The term 'political activity' means—

''(A) voter registration activity;

''(B) voter identification or get-out-the-vote activity;

''(C) a public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and

''(D) disbursements for television or radio broadcast time, print advertising, or polling for political activities.''

SA 135. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform;

which was ordered to lie on the table; as follows:

On page 37, between lines 14 and 15, insert the following:

SEC. 305. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the right to vote is fundamental under the United States Constitution;

(2) all Americans should be able to vote unimpeded by antiquated technology, administrative difficulties, or other undue barriers;

(3) States and localities have shown great interest in modernizing their voting and election systems, but require financial assistance from the Federal Government;

(4) more than one Standing Committee of the Senate is in the course of holding hearings on the subject of election reform; and

(5) election reform is not ready for consideration in the context of the current debate concerning campaign finance reform, but requires additional attention from committees before consideration by the full Senate.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should schedule election reform legislation for floor debate not later than June 29, 2001.

SA 136. Mr. HATCH proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

On page 37, between lines 14 and 15, and insert the following:

SEC. 305. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by inserting after section 304 the following:

"SEC. 304A. DISCLOSURE OF DISBURSEMENTS OF UNION DUES, FEES, AND ASSESSMENTS OR CORPORATE FUNDS FOR POLITICAL ACTIVITIES.

''(a) IN GENERAL.—Any corporation or labor organization (including a separate segregated fund established and maintained by such entity) that makes a disbursement for political activity or a contribution or expenditure during an election cycle shall submit a written report for such cycle—

''(1) in the case of a corporation, to each of its shareholders; and

''(2) in the case of a labor organization, to each employee within the labor organization's bargaining unit or units;

disclosing the portion of the labor organization's income from dues, fees, and assessments or the corporation's funds that was expended directly or indirectly for political activities, contributions, and expenditures during such election cycle.

''(b) CONTENTS.—

''(1) IN GENERAL.—The report submitted under subsection (a) shall disclose information regarding the dues, fees, and assessments spent at each level of the labor organization and by each international, national, State, and local component or council, and each affiliate of the labor organization and information on funds of a corporation spent by each subsidiary of such corporation showing the amount of dues, fees, and assessments or corporate funds disbursed in the following categories:

''(A) Direct activities, such as cash contributions to candidates and committees of political parties.

''(B) Internal and external communications relating to specific candidates, political causes, and committees of political parties.

''(C) Internal disbursements by the labor organization or corporation to maintain, operate, and solicit contributions for a separate segregated fund.

''(D) Voter registration drives, State and precinct organizing on behalf of candidates and committees of political parties, and get-out-the-vote campaigns.

''(2) IDENTIFY CANDIDATE OR CAUSE.—For each of the categories of information described in a subparagraph of paragraph (1), the report shall identify the candidate for public office on whose behalf disbursements were made or the political cause or purpose for which the disbursements were made.

''(3) CONTRIBUTIONS AND EXPENDITURES.—The report under subsection (a) shall also list all contributions or expenditures made by separated segregated funds established and maintained by each labor organization or corporation.

''(c) TIME TO MAKE REPORTS.—A report required under subsection (a) shall be submitted not later than January 30 of the year beginning after the end of the election cycle that is the subject of the report.

''(d) DEFINITIONS.—In this section:

''(1) ELECTION CYCLE.—The term 'election cycle' means, with respect to an election, the period beginning on the day after the date of the previous general election for Federal office and ending on the date of the next general election for Federal office.

''(2) POLITICAL ACTIVITY.—The term 'political activity' means—

''(A) voter registration activity;

''(B) voter identification or get-out-the-vote activity;

''(C) a public communication that refers to a clearly identified candidate for Federal office and that expressly advocates support for or opposition to a candidate for Federal office; and

''(D) disbursements for television or radio broadcast time, print advertising, or polling for political activities.''

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on March 27, 2001, in SR–328A at 9 a.m. The purpose of this hearing will be to review the Research, Extension and Education title of the farm bill.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, March 21, at 9:30 a.m., to conduct an oversight hearing. The committee will review current U.S. energy trends and recent changes in energy markets.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 21, 2001, at 2 p.m., to hold a hearing.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, March 21, 2001, at 3 p.m., to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON CLEAN AIR, WETLANDS, PRIVATE PROPERTY AND NUCLEAR SAFETY

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air, Wetlands, Private Property and Nuclear Safety be authorized to meet on Wednesday, March 21, at 9:30 a.m., on the Clean Air Act with regard to the nation's energy policy.

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

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, March 21, 2001, at 9:30 a.m., in open session to receive testimony on installation readiness, in review of the Defense authorization request for fiscal year 2002 and the future years' Defense program.

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

SUBCOMMITTEE ON SURFACE TRANSPORTATION AND MERCHANT MARINE

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation and Merchant Marine of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, March 21, 2001, at 9:30 a.m., on oversight of the Surface Transportation Board.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, March 21, at 2 p.m., to conduct an oversight hearing. The subcommittee will receive testimony on the Klamath Project in Oregon, including implementation of PL 106–498 and how the project might operate in what is projected to be a short water year.

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

DESIGNATING UNITED STATES POST OFFICE FACILITIES AT 620 JACARANDA STREET IN LANAI CITY, HAWAII, AND AT 2305 MINTON ROAD IN WEST MELBOURNE, FLORIDA

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration, en bloc, of the following post office naming bills that are at the desk: H.R. 395 and H.R. 132.

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

The clerk will state the bills by title.

The assistant legislative clerk read as follows:

A bill (H.R. 132) to designate the facility of the United States Postal Service located at 620 Jacaranda Street in Lanai City, Hawaii, as the ''Goro Hokama Post Office''.

A bill (H.R. 395) to designate the facility of the United States Postal Service located at 2305 Minton Road in West Melbourne, Florida, as the ''Ronald W. Reagan Post Office of West Melbourne, Florida''.

There being no objection, the Senate proceeded to consider the bills en bloc.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the bills be read the third time and passed, the motions to reconsider be laid upon the table, and that any statements relating to either of these bills be printed in the RECORD, with the above occurring en bloc.

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

The bills (H.R. 132 and H.R. 395) were read the third time and passed.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 101–549, appoints Josephine S. Cooper, of Washington, DC, to the Board of Directors of the Mickey Leland National Urban Air Toxics Research Center, vice Joseph H. Graziano.

ORDERS FOR THURSDAY, MARCH 22, 2001

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9 a.m. on Thursday, March 22. I further ask unanimous consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the pending Hatch amendment to S. 27, the campaign finance reform bill.

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

PROGRAM

Mr. MCCONNELL. Mr. President, for the information of all Senators, the Senate will resume consideration of the pending Hatch amendment for up to 30 minutes tomorrow morning. Senators should expect a vote in relation to the amendment at approximately 9:30 a.m. Amendments will be offered and voted on throughout the day tomorrow.

As a reminder, votes will also occur during Friday's session of the Senate.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MCCONNELL. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:08 p.m., adjourned until Thursday, March 22, 2001, at 9 a.m.