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Senate

The Senate met at 8:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Dear God, You have taught us that yesterday is already a memory and tomorrow is only a vision, but today well-lived makes every yesterday an affirmation of Your grace and every tomorrow an expectation of Your blessing. Make our life an accumulation of grace-filled days. We've learned that we can't do much with our yesterdays, and worry over tomorrow is futile. Living today is so crucial. We want to be faithful and obedient to You today. We know that anything is possible if we take it in day-sized bites. The dynamic person You want us to be, the issues we want to confront, the people we want to bless, the projects we want to start—all can be done by Your grace today.

Bless the Senators. Enable them to enjoy the sheer delight of glorifying You by serving this Nation. May they live Andrew Murray's motto: ''To be thankful for what I have received and for what the Lord has prepared is the surest way to receive more.'' Amen.

PLEDGE OF ALLEGIANCE

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

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Senator DOMENICI is recognized.

SCHEDULE

Mr. DOMENICI. Mr. President, on behalf of the leader, I have the following statement:

Today, by a previous order, the Senate will begin 30 minutes of debate for closing remarks with respect to the Bingaman amendment regarding education and the Hutchison amendment regarding the marriage tax penalty. Two back-to-back votes will then occur at approximately 9 a.m.

Following those votes, any additional amendments will be limited to 2 minutes of debate. Therefore, numerous votes will occur in a stacked sequence, and Senators are asked to remain in the Chamber in order to conclude the voting process as early as possible during today's session of the Senate.

I thank my colleagues for their attention and their cooperation.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SANTORUM). Under the previous order, leadership time is reserved.

TAXPAYER REFUND ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1429, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1429) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

Pending:

Bingaman amendment No. 1462, to express the sense of the Senate regarding investment in education.

Hutchison modified amendment No. 1472, to provide for the relief of the marriage tax penalty beginning in the year 2001.

Roth (for Grassley) amendment No. 1388, making technical corrections to the Saver Act.

Roth (for Abraham) amendment No. 1411, to provide that no Federal income tax shall be imposed on amounts received, and lands recovered, by Holocaust victims for their heirs.

Roth (for Sessions) amendment No. 1412, to provide for the Collegiate Learning and Students Savings (CLASS) Act title.

Roth (for Collins/Coverdell) modified amendment No. 1446, to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development and incidental expenses of elementary and secondary school teachers.

Roth (for Abraham) amendment No. 1455, to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers.

AMENDMENT NO. 1462

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided with respect to the Bingaman amendment No. 1462.

Who yields time?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. How much time is allotted to me?

The PRESIDING OFFICER. The Senator has 7 minutes 30 seconds.

Mr. BINGAMAN. I yield myself 4 minutes.

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

Mr. BINGAMAN. Mr. President, the amendment I presented yesterday and that we are going to vote on first this morning is a simple statement that we should reduce the size of the tax cut that is proposed by $132 billion so that we will have funds available to maintain the current level of effort in support of education. It, I grant you, is a sense-of-the-Senate resolution. It does not ensure that the money is spent there, but to my mind it at least reserves those funds so we can maintain the current level of effort in support of education. In other words, I believe we should be on record for funding education at least at current levels before we settle on the size of the tax cut that we can afford.

Some might ask why am I singling out education. Well, S. 1429 is more

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

than just a tax bill; it is a reconciliation bill, which means, at least in rough form, it purports to set national priorities for the next 10 years. I believe that a very top priority should be providing quality education to the young people of this Nation. Our future depends more on that investment than it does on virtually any other investment we might make.

So if education is a priority, what is the relationship of this tax cut bill to education? Now, as I understand the estimates for the next 10 years, the tax cut bill is so large that it will require us to make significant cuts in discretionary spending, including education, in this coming decade, and that is the concern I have and that is what has prompted this amendment.

Yesterday, as I was describing the amendment, I was informed that my concern is unfounded; that in fact even after the tax cut—and I know people do not like to have it referred to as a massive tax cut; I notice that is what the Wall Street Journal called it this morning in their headline—there will be plenty of discretionary funds for education. That was the information I was given.

So let me look at the figures I have and see where I am confused on this and where I have misunderstood the situation.

First of all, we all expect a surplus, and that is why we are having this debate and talking about cutting taxes in the first place. So we all agree to that. We also all agree that the portion of that surplus attributable to Social Security should be left for Social Security. And that is about $1.9 trillion. There is no dispute about that that I am aware of, at least in this debate.

So after we take that out, what is left? At the beginning of the debate, the Congressional Budget Office came out with the figure in the range of $1 trillion, the non-Social Security-related surplus. So that is represented here. This chart shows CBO, Congressional Budget Office. This column represents the non-Social Security surplus as it was understood by me when we started the debate.

Now I am informed that we have a new estimate and that the surplus is not going to be $2.8 trillion over the next 10 years; instead, it is going to be over $3.3 trillion. So there is going to be substantially more money. The question is, Where did we find this additional $400 to $500 billion?

Mr. President, let me yield myself 1 more minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BINGAMAN. It was arrived at by assuming that less money is going to be spent on discretionary spending during the 10 years. The Congressional Budget Office assumed that $595 billion would be cut in discretionary spending. The new claim is that there is going to be $1 trillion cut, and that by cutting discretionary spending by $1 trillion instead of by $595 billion, we are going to have extra money that we can turn around and spend on discretionary accounts.

Mr. President, that doesn't add up in my mind. I believe discretionary accounts are important. I believe education has to be at the top of that list. I do not see where we can expect to find the money to maintain current levels of effort on education if we vote for this very large tax cut. That is why the size of the tax cut should be reduced so that education programs will not have to be cut.

How much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes 25 seconds.

Mr. BINGAMAN. I yield the balance of my time to the Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the amendment offered by the Senator from New Mexico, Mr. BINGAMAN. This is a very important amendment that he has offered. Certainly, as we are talking about what the future of our country is going to be, we should be looking at what we are doing to invest in our young children today so they can be economically viable when they graduate from high school and college 15, 20 years from now, making sure that we have the money there for the Head Start Program, Pell grants, early childhood education.

These are important investments in our children, and if we follow through on a massive tax cut at this time, as the Senator from New Mexico has said, in the future we will not have the money to make sure that our kids get the kind of education they need to be viable members of our community. This is a very important amendment.

As we come to the end of this debate about what we are going to do to invest in our future, let's remember that if we put in place a tax cut such as this, we will harm our young children, we will harm Social Security and Medicare and critical programs for women in this country to make sure they don't live in poverty. We will not be able to pay off our debt, a very important issue that is facing us, which we have not left ourselves room for with a massive tax cut of this size.

Most critically, we will not be able to do what we have a responsibility to do, not only as Senators but as parents and as adults in this country, to make sure that those who follow us have the skills they need to make sure this country continues to run well in the future. Investment in Pell grants and in early childhood education, and investment in education, class size reduction, and training of our teachers will make a difference for the future. We have a responsibility to do that.

I thank the Senator from New Mexico for his work on education, and I urge my colleagues to support this amendment.

I thank the Chair.

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, as I said yesterday, I don't normally take to the Senate floor and speak in opposition to an amendment of my colleague from New Mexico. But I did yesterday, and I must this morning because if this amendment is reported in New Mexico, and if it says to constituents of our State that the budget resolution we adopted, and what will be left over after the tax cut would decimate education, then it would appear to me that I must answer because that isn't true.

First of all, the Senator from New Mexico, my colleague, is at least not as sensational in his approach as the President was yesterday. The President even knows right down to the nickel what is not going to be spent in education. That is impossible. He says that 544,000 kids aren't going to be able to learn to read. That is ludicrous. If that is the kind of talk he needs to defeat a tax bill, then good luck to him. It is just absolutely untrue.

Let's get the facts as I remember and understand them. We produced a budget resolution. It is nothing new with reference to the taxes; $792 billion spread out over 10 years was the tax cut in that bill. We also allocated the remaining money for the next decade and, incidentally, in doing that, even though there was a reduction in discretionary spending, the highest priority domestic program was education, for all the reasons stated on the floor by Senator MURRAY and Senator BINGAMAN. It is terribly important that we use our education dollars right and better but that there be more of them. We put $37 billion in additional money during the first 5 years of that budget for education.

Now, what happened after that? After that, some 3 months later, the Congressional Budget Office did a midsession review and told us there was more money than that. As a matter of fact, there was $170 billion more in the surplus account. We didn't add some of that to the tax cut. It is sitting there. What I did, so that everyone would understand, I said let's look at this surplus in the chart I used yesterday, and let's assume that we freeze discretionary spending and ask CBO how much money would then be available to put back into discretionary accounts during the decade.

They told us: We don't know whether you will use it in discretionary accounts. We can't say that.

But there is $505 billion that could be added into priority spending. I believe that means all of the discretionary spending can go up significantly and you can establish education as a high-priority item and fund it at levels higher than we have now, which I think Republicans will do if we have reform in the educational allowances of the Federal Government, so that there is accountability and flexibility in the programs that we send there.

I believe what my colleague from New Mexico is expressing on the floor

is a sincere desire that we be sure that in the discretionary accounts we fund education adequately. If that is what he was saying, I join with him in saying that is true. But when he says you need to take $122 billion—or whatever the number is—out of the tax cut in order to do that, I disagree. I don't think you have to do that.

Plain and simple, I think there is plenty of discretionary money available. I add, if you use the President's numbers on Medicare—and he said you only needed $46 billion to fix prescription drugs—you have $505 billion, less the $46 billion, and all the rest can go to discretionary spending in the next decade. I am not trying to mislead anybody. In order to understand it, I said start with the premise that we freeze all these accounts and put in what is left. If you look at the budget resolution, we put $181 billion into those accounts, with education being the highest priority. It just happens there is more than that $181 billion because the midsession review added many billions of dollars in accumulated surplus.

I am fully aware that Senator BINGAMAN, my colleague, has regularly and consistently as a member of the Committee on Education, and on the floor, been a promoter and a staunch supporter of education. I agree with him, but I believe he is wrong in thinking that we have to reduce the tax cut in order to be sure we do that. I also remind everybody that there are some very significant education programs in this tax bill. It makes it easier to continue your education because it has allowances, credits, and deductions in the adult education area. It makes it easier to pay off student loans. It makes college more affordable, and it provides tax exempt financing for school construction. All of that is in the Roth bill.

Whatever time I had remaining, I yield back.

I make a point of order that the Bingaman amendment No. 1462 is extraneous to the bill before us. Therefore, I raise a point of order under section 313(b)(1)(A) of the Congressional Budget Act.

Mr. BINGAMAN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for the consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1472, AS FURTHER MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided for concluding remarks with respect to the Hutchison of Texas amendment, No. 1472.

Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, under the previous unanimous consent agreement, I send a modification of the amendment to the desk to amendment No. 1472.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1472), as further modified, is as follows:

On page 10, line 6, strike ''2004'' and insert ''2005''.

On page 10, strike the matter between lines 19 and 20, and insert:

"Calendar year:	Applicable dollar amount:
2006 or 2007	$4,000
2008 and thereafter	$5,000.

On page 11, strike the matter before line 1, and insert:

"Calendar year:	Applicable dollar amount:
2006 or 2007	$2,000
2008 and thereafter	$2,500.

On page 11, line 3, strike ''2007'' and insert ''2008''.

On page 11, line 11, strike ''2006'' and insert ''2007''.

On page 32, between lines 14 and 15, insert:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

''(7) PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning before January 1, 2008—

''(A) paragraph (2)(A) shall be applied by substituting for 'twice'—

''(i) '1.671 times' in the case of taxable years beginning during 2001,

''(ii) '1.70 times' in the case of taxable years beginning during 2002,

''(iii) '1.727 times' in the case of taxable years beginning during 2003,

''(iv) '1.837 times' in the case of taxable years beginning during 2004,

''(v) '1.951 times' in the case of taxable years beginning during 2005,

''(vi) '1.953 times' in the case of taxable years beginning during 2006, and

''(vii) '1.973 times' in the case of taxable years beginning during 2007, and

''(B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

On page 38, line 18, strike ''2000'' and insert ''2002''.

On page 236, strike line 12 through the matter following line 21, and insert:

(a) IN GENERAL.—Section 2503(b) (relating to exclusions from gifts) is amended—

(1) by striking the following:

''(b) EXCLUSIONS FROM GIFTS.—

''(1) IN GENERAL.—In the case of gifts'',

(2) by inserting the following:

''(b) EXCLUSIONS FROM GIFTS.—In the case of gifts'',

(3) by striking paragraph (2), and

(4) by striking ''$10,000'' and inserting ''$20,000''.

On page 237, line 3, strike ''2000'' and insert ''2004''.

On page 262, strike lines 15 through 17, and insert:

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004, and before January 1, 2007.

On page 270, line 18, strike ''2003'' and insert ''2004''.

On page 273, line 21, strike ''2003'' and insert ''2004''.

On page 275, line 12, strike ''2003'' and insert ''2004''.

On page 277, line 13, strike ''2003'' and insert ''2005''.

On page 278, line 13, strike ''2002'' and insert ''2004''.

Mrs. HUTCHISON. Mr. President, I now yield 2 minutes to Senator ASHCROFT of Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 2 minutes.

Mr. ASHCROFT. Mr. President, first of all, I thank the Senator from Texas for her outstanding work correcting a pernicious discrimination against the most valuable institution in our society, the family. I thank the chairman for his sensitivity to this important issue, for placing in this bill procedures to remedy the marriage penalty.

The marriage penalty simply is an anomaly. It is a strangeness in the tax structure that has evolved, that penalizes people for being married. It puts them into higher tax brackets when they get married than when they were single. When people get married, they start paying a tax penalty. That is something we should stop.

The Senator from Texas and the chairman of this committee have agreed that we should stop it. And we should, as a matter of fact, according to the amendment of the Senator from Texas, of which I am an original cosponsor along with Senator BROWNBACK, accelerate the time at which we begin to stop this very serious fault with the tax system.

America should not penalize the family. It should not make it harder for people to have families. It should not make it financially more difficult for two people to be married and live together than unmarried and live together. That is a simple fact. It is because the family is the best department of social services, the best department of education; it is the best place in which individuals are enriched to learn individual responsibility and the values and character our culture needs to survive.

I am very pleased to be a part of this tax measure which will say about America's families that we cherish them rather than punish them and it is time for all of us to join together and eliminate the marriage tax penalty.

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

Who yields time? The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 4 minutes.

Mrs. HUTCHISON. Mr. President, parliamentary inquiry. Is the 4 minutes from my 7½ minutes?

Mr. ROTH. I am yielding this from my time.

The PRESIDING OFFICER. Time in opposition to the amendment?

Mr. ROTH. Actually, Mr. President, I want to add my support for the amendment put forward by Senator HUTCHISON. It builds on the basic objectives of the Taxpayer Refund Act of 1999, particularly objectives of helping families bring greater equity to the Tax Code.

One very important provision of the tax relief package we have proposed is the elimination of the marriage tax penalty. There is strong bipartisan agreement that this penalty is not only unfair but that it is counterproductive in a way that discourages couples from marrying.

When I introduced the Taxpayer Refund Act 2 days ago, I introduced Robert and Dianne, a hypothetical couple who had fallen in love and wanted to marry. I explained how, as individuals, they would not be considered wealthy, how Robert worked as a foreman in an auto plant and Dianne worked as a nurse. I then explained how, as a married couple with a combined income, they would be considered well off and how they would end up paying the Government $1,500 more in taxes than they would if they remained single.

The Taxpayer Refund Act of 1999 does away with the marriage tax penalty. It completely eliminates the penalty for Robert and Dianne and for any other couples who choose to marry. What I like about the amendment introduced by our distinguished colleague from Texas, Senator HUTCHISON, is that under her plan the tax relief is expedited. This is done at a price. The change does require the delay of other provisions that provide relief for the taxpayer. I regret that. But we do think it is desirable to provide marriage relief as early as possible.

Therefore, I encourage my colleagues to vote for this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. If the Senator will yield just a few minutes?

Mr. ROTH. I yield 3 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. BAUCUS. Mr. President, I again compliment my good friend, the Senator from Texas, as well as the chairman of the committee. The Senator from Texas offered this amendment last night, and at that time I explained we thought this was a very good amendment because it moves in the direction of the Democratic substitute, raising the standard deduction, in her case for married couples, to eliminate the marriage tax penalty. We would have gone further, but we compliment the Senator in going in this direction.

Last night, too, there was a slight question how this was going to be paid for. We have worked it out overnight. As I understand it—the Senator may correct me if I am wrong—the AMT delayed relief provisions are no longer in place, but rather there will be a delay in the expansion of the 15-percent bracket in order to pay for this.

Mrs. HUTCHISON. The Senator is correct. There are delays. Nothing is eliminated, but there are delays in several provisions because we are trying to say this is our first priority.

Mr. BAUCUS. Mr. President, I think that is a good offset. It adds a little more progressivity, frankly, to the bill, than otherwise would be there.

I compliment the Senator on her amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. I yield the Senator from Kansas, Senator BROWNBACK, 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BROWNBACK. Mr. President, I thank the Senator from Texas. I am delighted to join her in this amendment that it appears will garner overwhelming support. I hope that sends a strong signal across this country that today is a day to celebrate. We should be celebrating the institution of marriage and support that institution rather than tax it.

For many years now we have taxed it. Clearly, if there is a policy in Government that stands it is if you want less of something, tax it; if you want more of something, subsidize it. We have been taxing marriage, and marriage has fallen off in this country 43 percent over the last 30 years. That is a terrible situation for an institution that is so central.

I note to my colleagues, we all frequently talk about family values. Thomas, from Hilliard, OH, writes in about this point on the marriage penalty and the notion of family values:

> No person who legitimately supports family values could be against this bill. The marriage penalty is but another example of how in the past 40 years the federal government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

I could not have put it better. I am delighted it appears that this amendment is going to be agreed to. I hope we can get it to the President's desk and that the President will be supportive of eliminating the marriage penalty tax. I hope as well we could go further in the future and enact income splitting, that we could provide for a couple to split their income. This would be even more supportive of this fundamental institution in our culture, in our Nation, of marriage. I hope we can take that step on into the future.

I am delighted to have the chairman's support in this. I urge all my colleagues in the name of family values, vote for this amendment.

I yield the remainder of my time to the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, how much time remains?

The PRESIDING OFFICER. There are remaining 3 minutes 20 seconds.

Mrs. HUTCHISON. Mr. President, I will finish on my statement.

Something very important is happening. What is important is, we are apparently going to pass overwhelmingly the only amendment that will have passed on this bill. On this very important tax cut measure, we are going to add certainly the first amendment, and maybe the only one, that says the marriage tax penalty is not going to be allowed to stand in the United States of America. That is what we are doing today. The bill provides for marriage tax penalty relief in 2005. I applaud the committee for doing that. But I thought we should address it earlier. That is why Senator ASHCROFT, Senator BROWNBACK, Senator DOMENICI, Senator ROTH, and Senator BAUCUS have come together and said that is right. The people of this country who want to get married should not have to pay $1,000 in taxes just because they got married. We are going to end it today because we are sending a signal that is joined by the House that this is our first priority.

So a high school football coach and a schoolteacher can get married and not move into a bracket that is almost double just because they got married. It hits our middle-income taxpayers the most. They are the ones who are trying to save for a new house or a new car or to do something special for their new baby. We are going to send a signal out of the Senate, along with the House, to the President, saying: Mr. President, we are going to have $1 trillion in income tax surplus. Are you serious in saying you would veto this bill that gives marriage tax penalty relief to our country, that gives pension relief to the women who go in and out of the workforce who are unable to have the same pension capabilities as those who never leave the workforce?

Is the President serious about vetoing a bill that provides for Social Security, that provides for Medicare and education, and, yes, the marriage tax penalty relief?

Mr. President, we are making a statement with this amendment. I am proud the Senate is going to take up and I believe overwhelmingly pass a

priority of eliminating the marriage tax penalty in this country once and for all. I urge my colleagues to give a unanimous vote for the married people who have been living with a penalty that is not warranted.

I yield the floor.

Mr. ROTH. Mr. President, we yield back the remainder of the time.

VOTE ON AMENDMENT NO. 1462

The PRESIDING OFFICER. Under the previous order, the question is now on the motion to waive the Budget Act on the Bingaman amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

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

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—48

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mikulski
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boxer	Hollings	Reed
Breaux	Inouye	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Collins	Kerry	Schumer
Conrad	Kohl	Snowe
Daschle	Landrieu	Specter
Dodd	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden

NAYS—52

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hutchinson	Smith (OR)
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
DeWine	Lott	Voinovich
Domenici	Lugar	Warner
Enzi	Mack	
Fitzgerald	McCain	

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. LOTT. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would object to any unanimous consent regarding comments on my outfit this morning.

I ask unanimous consent that the remaining votes in the series be limited to 10 minutes in length.

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

Mr. LOTT. I urge my colleagues, please stay in the Chamber. We still do have a number of amendments we will need to go through. Senator DASCHLE and I have agreed that we want to limit those to 10 minutes each, with 2 minutes between the 10 minutes for 1 minute of explanation on each side. If we do that, I believe we can still finish this bill at a reasonable hour.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Brig Pari and Ed McClellan of the Finance Committee staff be granted floor privileges for the duration of the consideration of this bill.

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

VOTE ON AMENDMENT NO. 1472, AS FURTHER MODIFIED

The PRESIDING OFFICER. The question is now on the amendment of the Senator from Texas. Does the Senator request the yeas and nays?

Mrs. HUTCHISON. Yes.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. HUTCHISON. I ask unanimous consent that Senator DOMENICI be added as an original cosponsor of the amendment.

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

The question is on agreeing to amendment No. 1472, as further modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 98, nays 2, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—98

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

NAYS—2

Hollings Voinovich

The amendment (No. 1472), as further modified, was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

PRIVILEGE OF THE FLOOR

Ms. LANDRIEU. Mr. President, I ask unanimous consent that two staffers, Kathleen Strottman and Ben Cannon, have floor privileges.

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

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that a member of my staff, Chris Stanek, have access to the floor.

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

MOTION TO RECOMMIT

Mr. KERRY. Mr. President, I have a motion at the desk and ask that it be called up.

The PRESIDING OFFICER. The clerk will read the motion.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] moves to recommit S. 1429, the Taxpayer Refund Act of 1999, to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $20 billion over ten years for relief from the unintended consequences of the Balanced Budget Act on teaching hospitals, skilled nursing facilities, home health care providers, rural and other community hospitals, and other health care providers, by reducing or deferring certain new tax breaks in the bill.

Mr. KERRY. Mr. President, I understand I have 1 minute.

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Mr. President, let me share with my colleagues what this is. Under the Balanced Budget Act, we set out to save some $103 billion in Medicare expenditures with respect to hospitals, home care, et cetera. The problem is the unintended consequences of the way that has happened, coupled with the managed care process, in fact, about $205 billion in Medicare payments has been reduced. The result is that, in hospitals, home care facilities, and nursing homes all across the country, all of our States are significantly affected in the quality of care that is being delivered.

Special care units in hospitals are closing. Home care facilities are refusing patients. There has been a significant reduction in the quality of care across the country. Our teaching hospitals are threatened. What we are saying is that we need to reserve some $20 billion in order to be able to adequately make up for the unintended

consequences of the Balanced Budget Act.

Mr. ROTH. Mr. President, although the Kerry amendment is well-intended, it is not germane to this reconciliation bill. The Finance Committee is paying close attention to the concerns of health care providers and beneficiaries. Over ten Medicare hearings have been held this year, three focusing specifically on BBA 1997 policies.

The Finance Committee is also developing a Medicare package that will address the many concerns in the Balanced Budget Act. The tax package in no way interferes with this process.

Finally, I might add that even the President's Medicare proposal sets aside a maximum of only $7.5 billion over 10 years to address BBA fixes, $12.5 billion less than this amendment.

The amendment is not germane to this reconciliation legislation, and I raise a point of order under section 305 (b)(2) of the Budget Act.

Mr. KERRY. Mr. President, pursuant to section 904 of the Budget Act, I move to waive that section in that act for consideration of this motion.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. The Balanced Budget Act of 1997 helped bring us to this era of budget surpluses and economic prosperity. But too much of the actual savings used to balance the budget have come from Medicare.

At the time the BBA was enacted, those savings were expected to total $116 billion over five years. Now, they are estimated by CBO to be nearly twice as great—nearly $200 billion over five years. Such deep cuts in Medicare are clearly unfair and unacceptable.

Not surprisingly, all of us are now hearing from bedrock health care institutions across the country that are being devastated by these excessive cuts. Teaching hospitals—community hositals—community health centers and many others. We are hearing from those who care for the elderly and disabled when they leave the hospital—nursing homes—home health agencies—rehabilitation facilities. We are hearing from virtually every one who cares for the 40 million senior citizens and disabled citizens on Medicare. They are telling us in no uncertain terms that Congress went too far.

This motion is the first step toward reducing the steepest cuts. It would provide $20 billion over the next ten years to slow or eliminate the harshest impact of the Balanced Budget Act. It would ensure that the nation's hospitals and other health care facilities will be able to care for senior citizens and the disabled in the years ahead.

With the retirement of the baby boom generation, the last thing we should be doing is jeopardizing the viability of the many health care facilities that depend on Medicare for their survival. These institutions are being hard hit in cities and towns across the nation.

Often, the hospitals and other institutions that care for Medicare patients also care for other patients as well. Health care in the entire community is being threatened.

Teaching hospitals are on the receiving end of a triple-whammy. The slash in Medicare reductions is leading to less patient care, less doctor training, and less medical research at the nation's top hospitals. In my own state of Massachusetts, for the first time in history, some of the finest and most renowned teaching hospitals in the country are now operating at a deficit. This situation is unsustainable—and it is happening all over our country. We will all suffer if these great institutions are forced out of business or into the arms of for-profit corporations.

Community hospitals are suffering, too. Throughout my State of Massachusetts, we are seeing red ink and cutbacks in essential services. This, too, is happening all over the country.

In Massachusetts alone, house health agencies are losing $160 million a year. Twenty agencies have closed their doors since the Balanced Budget Act went into effect. Many others are seeing fewer patients, and seeing their remaining patients less often. The homebound elderly are especially vulnerable, and are suffering even more. In just the last two weeks, two Massachusetts nursing homes have declared bankruptcy.

This proposal is an important step to restore the viability of these indispensable institutions in our health care system, and I urge the Senate to approve it. We must undo the damage before it is too late. The last thing we need to see on the doors of the nation's teaching hospitals, community hospitals, home health agencies, and nursing homes, is a sign that says, ''Closed because of the ill-considered activities of the United States Congress.''

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 50, nays 50, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—50

Abraham	Durbin	Lieberman
Akaka	Edwards	Lincoln
Baucus	Feingold	Mikulski
Bayh	Feinstein	Moynihan
Biden	Frist	Murray
Bingaman	Harkin	Reed
Boxer	Hollings	Reid
Breaux	Hutchison	Robb
Bryan	Inouye	Rockefeller
Byrd	Johnson	Sarbanes
Chafee	Kennedy	Schumer
Cleland	Kerry	Snowe
Collins	Kohl	Specter
Conrad	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden
Dorgan	Levin	

NAYS—50

Allard	Graham	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Bunning	Hagel	Santorum
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Jeffords	Stevens
Crapo	Kerrey	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Voinovich
Fitzgerald	Mack	Warner
Gorton	McCain	

The PRESIDING OFFICER. On this vote the yeas are 50, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

Without objection, the motion to table is agreed to.

The Senator from Tennessee.

CHANGE OF VOTE

Mrs. HUTCHISON. Mr. President, on rollcall vote No. 234, I voted ''no.'' It was my intention to vote ''aye.'' Therefore, I ask unanimous consent that I may be permitted to change my vote. It will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1467

Mr. FRIST. Mr. President, I call up amendment No. 1467.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee (Mr. FRIST) proposes an amendment numbered 1467.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. FRIST. Mr. President, this amendment is a sense-of-the-Senate amendment that goes right at the heart of what we should be doing about Medicare. It says Congress should be acting to modernize Medicare, to ensure its solvency, and to include prescription drugs.

The congressional budget plan has $505 billion over the next 10 years in unallocated budget surpluses that could be used for long-term Medicare reform. In addition, the congressional budget resolution for the year 2000 has specifically set aside $90 billion for this purpose.

Thus, my sense-of-the-Senate amendment says that the unallocated on-budget surpluses provide adequate resources and that: No. 1, the congressional budget resolution provides a sound framework for the modernization of Medicare; No. 2, improving the solvency of Medicare; and No. 3, improving coverage of prescription drugs.

Congress should act to accomplish these goals for the Medicare program.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, with great respect, I must inform this body that this amendment is pure fiction. It is pure fiction because the House and the Senate this year have been using Congressional Budget Office baseline numbers to predict what the surplus is or is not and what is left for spending. Under that formula, there is virtually no money in this tax bill left for discretionary spending.

A few days ago, a new chart suddenly popped up. The new chart comes up with this money. How does it come up with this money? It basically assumes that the Congress, over the next 10 years, is going to not only cut discretionary spending under the caps as planned but then not raise discretionary spending above inflation over the next 8 years.

I say that is a fiction—it is just not going to happen, so the money is not there—developed by this recent new chart.

If it is an accurate assumption that there is no spending, then it cuts discretionary spending by 50 percent, one or the other. It is a fiction.

The PRESIDING OFFICER. The question is on amendment No. 1467.

Mr. BAUCUS. Mr. President, I raise a point of order that the pending amendment violates 313(b)(1)(A) of the Congressional Budget Act of 1974.

Mr. FRIST. Pursuant to section 904 of the Budget Act, I move to waive the Budget Act for the consideration of my amendment No. 1467, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 54, nays 46, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—54

Abraham	Domenici	Kyl
Allard	Enzi	Lott
Ashcroft	Fitzgerald	Lugar
Bennett	Frist	Mack
Bond	Gorton	McCain
Brownback	Gramm	McConnell
Bunning	Grams	Murkowski
Burns	Grassley	Nickles
Campbell	Gregg	Roberts
Chafee	Hagel	Roth
Cochran	Hatch	Santorum
Collins	Helms	Sessions
Coverdell	Hutchinson	Shelby
Craig	Hutchison	Smith (NH)
Crapo	Inhofe	Smith (OR)
DeWine	Jeffords	Snowe
Specter	Thomas	Thurmond
Stevens	Thompson	Warner

NAYS—46

Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Graham	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Torricelli
Daschle	Landrieu	Voinovich
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	
Edwards	Lieberman	

The PRESIDING OFFICER (Mr. GORTON). On this vote the yeas are 54, the nays are 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

FRIST MEDICARE AMENDMENT

Mr. BYRD. Mr. President, today I voted against the Medicare Sense of the Senate amendment numbered 1467, offered by Senator FRIST. For the benefit of my constituents in West Virginia, I offer a brief explanation for why I voted the way I did.

I opposed Senator FRIST's amendment because, in my judgment, it is based on a fiction. As we all know, the Congressional Budget Office (CBO) has projected a $996 billion non-Social Security surplus over the next ten years. The Frist amendment said that, even allowing for the $792 billion tax cut, there was still enough money left over to provide for the long-term solvency of the Medicare system. One need not be an economist, or even an expert in budget policy, to understand why that was just plain wrong.

The Republican tax cut plan will cost $971 billion over the next ten years—$792 billion for the actual tax cut, plus $179 billion in additional interest payments on the debt. That leaves $25 billion of the non-Social Security surplus. From that amount, the Republicans have said we can provide for emergency expenditures for natural disasters and international conflicts, which averages $80 billion over ten years; fund current operations of government; and reserve enough money for Medicare. And, as I say, they would do all that without using the Social Security surplus. As anyone can plainly see, that is just not possible. In all good conscience, I could not vote for the Frist amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

MOTION TO RECOMMIT

Mr. LAUTENBERG. Mr. President, I call up a motion we have at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] moves to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to correct the fact that the bill uses Social Security surpluses for tax breaks by causing on-budget deficits, taking into account both revenue losses and additional interest costs caused by the higher levels of debt that would result from the bill's enactment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the motion is very simple. It directs the Finance Committee to correct the bill so that it does not raid Social Security surpluses in any year to pay for tax cuts. In its current form, this bill would use Social Security surpluses in each of the second 5 years after enactment.

Altogether, $75 billion of Social Security money will be used to pay for the broad-based tax rebates that are largely for special interests and for the very wealthy. That is the intent, and it is inconsistent with the Social Security lockbox that the Republicans claim to support.

If my colleagues are serious about stopping Congress from raiding these surpluses, they will support my motion. The Finance Committee can correct the problem very quickly, and then we can proceed to consider the bill within only a few days.

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

Mr. LAUTENBERG. I urge my colleagues to support the motion.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that a table prepared by the Congressional Budget Office be printed in the RECORD.

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

TABLE 3.—CBO ESTIMATE OF THE CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 2000

[By fiscal year, in billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2009
BASELINE SURPLUS OR DEFICIT (−)												
On-budget	−4	14	38	82	75	85	92	129	146	157	178	996
Off-budget	125	147	155	164	172	181	195	205	217	228	235	1,901
Total	120	161	193	246	247	266	286	334	364	385	413	2,986
EFFECTS OF THE BUDGET RESOLUTION'S POLICIES												
Revenues	0	0	−8	−54	−32	−49	−63	−109	−136	−151	−177	−778
Outlays:												
Discretionry [1]	0	0	0	0	10	6	−6	−24	−42	−55	−70	−180

TABLE 3.—CBO ESTIMATE OF THE CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 2000—Continued

[By fiscal year, in billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2009
Mandatory	0	(2)	1	1	1	1	1	(2)	(2)	−1	−1	4
*COM008**COM008*	0	(2)	(2)	2	4	7	10	15	20	26	32	117
Subtotal[3]	0	(2)	1	3	16	14	5	−9	−22	−29	−38	−59
Total[4]	0	(2)	−9	−57	−48	−63	−68	−100	−114	−121	−139	−719
SURPLUS OR DEFICIT (−) UNDER THE BUDGET RESOLUTION'S POLICIES AS ESTIMATED BY CBO												
On-budget	−4	14	29	26	27	21	24	29	32	36	39	277
Off-budget	125	147	155	164	172	181	195	205	217	228	234	1,901
Total	120	161	184	190	199	203	219	234	250	263	275	2,178
Memorandum:												
Debt Held by the Public:												
Baseline	3,168	3,473	3,297	3,066	2,835	2,584	2,312	1,992	1,640	1,267	865	NA
Budget resolution as estimated by CBO	3,618	3,473	3,305	3,132	2,949	2,761	2,557	2,336	2,099	1,847	1,584	NA

[1] The effect of the 1999 supplemental appropriations bill (P.L. 106–31), which was enacted after the resolution was passed, has been added to the resolution totals. Also, the projections include spending from contingent emergencies.
[2] Less than $500 million.
[3] Effect on outlays.
[4] Effect on the surplus.

Note: NA = not applicable.

Source: Congressional Budget Office.

Mr. DOMENICI. Mr. President, this table clearly shows there is no Social Security money in this tax cut.

Secondly, maybe the Senator is confused. CBO says the President still does not lock up all the Social Security money. It is $30 billion short.

Last, I suggest if they are really concerned about the Social Security trust fund size, why are they filibustering against a lockbox that would encapsulate it and make sure it is there?

In summary, the Senator from New Jersey is using the wrong chart. It does not apply to the real situation. We are using no Social Security money in terms of our tax cut.

I move to table the Lautenberg motion to recommit and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to recommit. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—55

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NAYS—45

Akaka	Boxer	Conrad
Baucus	Breaux	Daschle
Bayh	Bryan	Dodd
Biden	Byrd	Dorgan
Bingaman	Cleland	Durbin
Edwards	Kerry	Murray
Feingold	Kohl	Reed
Feinstein	Landrieu	Reid
Graham	Lautenberg	Robb
Harkin	Leahy	Rockefeller
Hollings	Levin	Sarbanes
Inouye	Lieberman	Schumer
Johnson	Lincoln	Torricelli
Kennedy	Mikulski	Wellstone
Kerrey	Moynihan	Wyden

The motion was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 1469, AS MODIFIED

(Purpose: To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to repeal a step up basis at death, and for other purposes)

Mr. KYL. I call up amendment No. 1469, and ask unanimous consent that it be modified.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 1469, as modified.

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

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

The amendment, as modified, is as follows:

Beginning on page 226, line 1, strike through page 237, line 5, and insert:

TITLE VII—ESTATE AND GIFT TAX RELIEF PROVISIONS

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

SEC. 701. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) IN GENERAL.—Subtitle B is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2007.

SEC. 702. TERMINATION OF STEP UP IN BASIS AT DEATH.

(a) TERMINATION OF APPLICATION OF SECTION 1014.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

''(f) TERMINATION.—In the case of a decedent dying after December 31, 2007, this section shall not apply to property for which basis is provided by section 1022.''

(b) CONFORMING AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking ''and'' at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ''; and'', and by adding at the end the following:

''(28) to the extent provided in section 1022 (relating to basis for certain property acquired from a decedent dying after December 31, 2007).''

SEC. 703. CARRYOVER BASIS AT DEATH.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following:

''SEC. 1022. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2007.

''(a) CARRYOVER BASIS.—Except as otherwise provided in this section, the basis of carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

''(b) CARRYOVER BASIS PROPERTY DEFINED.—

''(1) IN GENERAL.—For purposes of this section, the term 'carryover basis property' means any property—

''(A) which is acquired from or passed from a decedent who died after December 31, 2007, and

''(B) which is not excluded pursuant to paragraph (2).

The property taken into account under subparagraph (A) shall be determined under section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

''(2) CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.—The term 'carryover basis property' does not include—

''(A) any item of gross income in respect of a decedent described in section 691,

''(B) property which was acquired from the decedent by the surviving spouse of the decedent, the value of which would have been deductible from the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of enactment of the Taxpayer Refund Act of 1999, and

''(C) any includible property of the decedent if the aggregate adjusted fair market

value of such property does not exceed $2,000,000.

For purposes of this paragraph and paragraph (3), the term 'adjusted fair market value' means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

''(3) PHASEIN OF CARRYOVER BASIS IF INCLUDIBLE PROPERTY EXCEEDS $1,300,000.—

''(A) IN GENERAL.—If the adjusted fair market value of the includible property of the decedent exceeds $1,300,000, but does not exceed $2,000,000, the amount of the increase in the basis of such property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as such excess bears to $700,000.

''(B) ALLOCATION OF REDUCTION.—The reduction under subparagraph (A) shall be allocated among only the includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term 'net appreciation' means the excess of the adjusted fair market value over the decedent's adjusted basis immediately before such decedent's death.

''(4) INCLUDIBLE PROPERTY.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'includible property' means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of the enactment of the Taxpayer Refund Act of 1999:

''(i) Section 2033.

''(ii) Section 2038.

''(iii) Section 2040.

''(iv) Section 2041.

''(v) Section 2042(a)(1).

''(B) EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.—Such term shall not include property described in paragraph (2)(B).

''(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''

(b) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting ''(other than by reason of section 1022)'' after ''is determined''.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ''For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(3)(C) for basis determined under section 1022.''

(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

''(47) EXECUTOR.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.''

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by adding at the end the following new item:

''Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2007.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2007.

Subtitle B—Reductions of Estate, Gift, and Generation-Skipping Transfer Taxes

SEC. 711. REDUCTIONS OF ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

Over $2,500,000	$1,025,800, plus 53% of the excess over $2,500,000.''

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2003.

Subtitle C—Simplification of Generation-Skipping Transfer Tax

Mr. KYL. Mr. President, I begin today by thanking Senator ROTH, the chairman of the Senate Finance Committee, for recognizing that there is a place for estate-tax relief in this bill. The measure reported by the Finance Committee includes a variety of changes: a one-time reduction in the top death-tax rate, converting the unified credit to a true exemption, and raising the annual gift exclusion. These are all steps in the right direction. The problem is, at the end of the day, the Roth bill leaves the death tax in place.

By contrast, the bill that the House of Representatives passed last week phases out the death tax over a 10-year period, and then implements a version of the bill I introduced back in May with Senator BOB KERREY and a bipartisan group of 19 other Senators.

The amendment I am offering today is based upon that bipartisan initiative. I would replace the death tax with a tax on the appreciated value of inherited assets to be paid when the assets are sold. In other words, the tax would be imposed when income is actually realized from inherited property. Death would no longer be a taxable event.

This amendment represents an effort to find bipartisan consensus about how to deal with the death tax, and I hope all Senators will consider it with an open mind. It is an approach that Senators MOYNIHAN and KERREY actually suggested to me during a hearing before the Finance Committee two years ago. Bill Beach of the Heritage Foundation discussed its merits at the same hearing. The more I looked into the idea since then, the more sense I thought it made. The essence of it is very simple: It takes death out of the equation. Whether an asset is sold by the decedent during his or her lifetime, or by someone who later inherits the property, the gain is taxed the same. Under this approach, death neither confers a benefit, nor results in a punitive, confiscatory tax. This is an approach that I believe both Republicans and Democrats should be able to accept.

We know that many Americans are troubled by the estate tax's complexity and high rates, and by the mere fact that it is triggered by a person's death rather than the realization of income. For a long time, I have advocated its repeal, because I believe death should not be a taxable event.

Others agree that the tax is problematic, but are concerned the appreciated value of certain assets might escape taxation forever if the death tax is repealed while the step-up in basis allowed by the Internal Revenue Code remains in effect. That is a legitimate concern.

We try to reconcile these positions in this amendment by eliminating both the death tax and the step-up in basis, and attributing a carryover basis to inherited property so that all gains are taxed at the time the property is sold and income is realized.

The concept of a carryover basis is not new. It exists in current law with respect to gifts, property transferred in cases of divorce, and in connection with involuntary conversions of property relating to theft, destruction, seizure, requisition, or condemnation.

In the latter case, when an owner receives compensation for involuntarily converted property, a taxable gain normally results to the extent that the value of the compensation exceeds the basis of the converted property. However, section 1033 of the Internal Revenue Code allows the taxpayer to defer the recognition of the gain until the property is sold. This amendment would treat the transfer of property at death—perhaps the most involuntary conversion of all—the same way, deferring recognition of any gain until the inherited property is sold.

Small estates, which currently pay no estate tax by virtue of the unified credit, and no capital-gains tax by virtue of the step up, would be unaffected by the basis changes being proposed here. The estate tax would be eliminated for them, and they would still get the benefit of the current law's step-up. The basis changes would apply only to estates valued at over $2 million.

There are four problems I see with the underlying bill's death-tax provisions. First, the bill tries to make palatable what is fundamentally indefensible. Taxing death is wrong.

Second, because it leaves the death tax in place, the need for expensive estate-tax planning also remains. Some people will have to divert money they would have spent on new equipment or new hires to insurance policies designed to cover death-tax costs. Still others will spend millions on lawyers, accountants, and other advisors for death-tax planning purposes. But that leaves fewer resources to invest, start up new businesses, hire additional people, or pay better wages.

Third, the higher exemption proposed in the committee bill provides some relief, but I believe it also serves as an artificial cap on small businesses' growth. To avoid the death tax, an entrepreneur merely needs to limit the growth of his or her business so it does not exceed the $1.5 million exemption amount. That means fewer jobs, and less output.

I believe it would be better to eliminate the tax and, if there is a need to impose a tax, impose it when income is actually realized—that is, when the assets are sold. That is what this amendment would do.

I want to stress to colleagues, particularly colleagues on the Democratic side of the aisle, that we do not allow appreciation in inherited assets to go untaxed, as other death-tax repeal proposals would do. We are merely saying that if a tax is imposed, it should be imposed when income is realized. Earnings from an asset should be taxed the same whether the asset is earned or inherited.

The question has been posed at various times during debate on this bill whether the American people want tax relief. Let me answer that question with respect to the issue at hand. Although most Americans will probably never pay a death tax, most people still sense that there is something terribly wrong with a system that allows Washington to seize more than half of whatever is left after someone dies—a system that prevents hard-working Americans from passing the bulk of their nest eggs to their children or grandchildren.

Seventy-seven percent of the people responding to a survey by the Polling Company last year indicated that they favor repeal of the death tax. When Californians had the chance to weigh in with a ballot proposition, they voted two-to-one to repeal their state's death tax. The legislatures of five other states have enacted legislation since 1997 that will either eliminate or significantly reduce the burden of their states' death taxes.

The 1995 White House Conference on Small Business identified the death tax as one of small business's top concerns, and delegates to the conference voted overwhelming to endorse its repeal. Outright repeal received the fourth highest number of votes among all resolutions approved at the conference.

A couple of other points to consider about the death tax. it is one of the most inefficient taxes that the government levies. Alicia Munnell, who was a member of President Clinton's Council of Economic Advisors, estimated that the costs of complying with death-tax laws are of roughly the same magnitude as the revenue raised. In 1998, that was about $23 billion. In other words, for every dollar of tax revenue raised by the death tax, another dollar is squandered in the economy simply to comply with or avoid the tax.

The tax hurts the economy. A report issued by the Joint Economic Committee in December of 1998 concluded that the existence of the death tax this century has reduced the stock of capital in the economy by nearly half a trillion dollars. By repealing it and putting those resources to better use, the Joint Committee estimated that as many as 240,000 jobs could be created over seven years and Americans would have an additional $24.4 billion in disposable personal income. So much for the contention that this is a tax that touches only a few.

It appears that the chairman of the Finance Committee will raise a point of order against this amendment. I think that is regrettable. If there is a way to improve this amendment, I am willing to work with Chairman ROTH on any ideas he might have. But if the point of order is intended to preserve the death tax as a permanent part of the Tax Code, we have a very significant difference of opinion, and I think he should allow the Senate to work its will, rather than use a parliamentary point of order to block it.

This is a good amendment; the policy it proposes is sound, and fair. Its time has come. I urge my colleagues to support the amendment.

As I say, this amendment would repeal the estate tax, the so-called death tax. According to the Joint Tax Committee, under scoring, it cannot occur until the eighth year or until 2007. But at that point it replaces the death tax with a tax on the sale of the assets, usually a capital gains tax, if and when the property is sold. In other words, it is a very fair compromise between those who believe there should be some tax on the sale of assets and those who believe that death itself should not be a taxable event.

I am advised that a point of order will be made that this amendment is not germane. If that is done, I believe that to be very unfortunate. But because Senator KERREY would prefer that we not proceed with a vote on the point of order, I will not contest the ruling of the Chair.

I believe that repeal of the death tax enjoys more than majority support and am confident that in the conference committee, we will be able to accept the House version or something close to it which repeals the death tax along the lines of the Kyl-Kerrey approach.

I urge my colleagues to support repeal of the death tax. If a point of order is made, I will not contest it.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. I therefore raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The point of order is well taken and the amendment falls. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

MOTION TO RECOMMIT

Mr. HOLLINGS. Mr. President, on behalf of Senator LIEBERMAN, Senator LEVIN, and myself, I move to recommit the bill to the Finance Committee with instructions that the committee report back within 3 days with an amendment that implements the Greenspan recommendations by deferring tax reductions and by taking any projected revenue surplus and actually reducing the national debt.

Now, for days on end we have been talking about what Mr. Greenspan said here, what Mr. Greenspan said here. As our friend, the former Attorney General Mitchell said: Watch what we do, not what we say.

He has been trying to stay the course; namely, just take, in a sense, any surpluses—don't argue about them, but if you can find them, then apply that to reducing the national debt. So often we say that all of us want to go to heaven but we don't want to do what is necessary to get there. All of us say we want to reduce or pay down the national debt, but we don't want to do what is necessary to get there. All you have to do in order to get there or reduce the debt is vote for this motion.

I yield to Senator LIEBERMAN.

Mr. LIEBERMAN. Mr. President, in the interest of legislative efficiency, let alone fiscal responsibility, Senator LEVIN and I are withdrawing our motion to strike the entire tax cut and joining to raise the same issue with Senator HOLLINGS on this amendment which says you can't have a tax cut if the surplus is not there, and there is no evidence the surplus is there.

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

Mr. ROTH. Mr. President, I rise in opposition to this motion. In a very real way, this is the final vote on the legislation before us. Let me point out that both Democrats and Republicans have broadly agreed that there should be a tax cut. That tax cut should be now. The American people are entitled to relief. What we are really doing here is restoring the excess taxes already paid. For that reason, I shall make a motion to table.

Let me reemphasize again, the Democrats have had a proposal of $300 billion in a tax cut. There has been a $500 billion tax cut. We have followed the budget recommendations of $792 billion. To deny the working people of America the tax break they deserve today makes no sense at all.

For that reason, I move to table the motion to recommit, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I join in cosponsoring the Hollings motion to recommit the bill to the Finance Committee with instructions to defer tax reductions in order to reduce the national debt. I cosponsored the Hollings motion in lieu of calling up the Lieberman-Levin amendment because the effect of the Hollings motion, had it been adopted, would have been largely the same as the Lieberman-Levin amendment.

The tax program before the Senate is unfair to middle income Americans, it is economically unwise and it's based on unrealistic assumptions. The unfairness is perhaps best shown by the fact that about two-thirds of its tax benefits go to the upper one-fifth of our

people. In addition to being unfair, it is economically unwise in that jeopardizes Medicare, fails to strengthen Social Security, and risks higher interest rates.

This bill takes us back to the bad old days of backloaded tax breaks whose real costs explode several years after enactment. This budgetary time bomb is set to go off at roughly the same time as the Medicare trust fund is expected to be bankrupt and the bill begins to come due for Social Security. In that decade, as the ''baby boomers'' begin to retire, the Social Security Trust fund will begin to run a deficit, requiring the redemption of Treasury bonds which it holds.

It is also based on unrealistic projections. Projections are always risky. We have seen many federal budget estimates, and we know well that as quickly as these surpluses appear, they can disappear. In 1981, President Ronald Reagan introduced his Economic Recovery Tax Act which included huge tax cuts and predictions that the budget would be balanced by 1984. In 1981, I opposed the Reagan tax cut because I was convinced that it would lead to huge deficits. We have paid dearly for the debt which resulted from that legislation. In 1992, the deficit in the federal budget was $290 billion. The remarkable progress which has brought us now to the threshold of surpluses has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate passed by a margin of one vote, the Vice-President's. We should not now, by passing a tax bill like the one before us, head back down the road toward new future deficits.

I joined with Senator HOLLINGS in his motion to defer the tax cut, because it seems clear to me that we should first see if the surplus is real before we adopt tax cuts; second, if those surpluses are real, we should pay down the national debt faster; and third, we should save tax cuts for a time of economic slow down.

During the consideration of this legislation and the national debate which has surrounded it, much has been made of the projected reduction of the national debt and concurrent reductions in interest payments. Although the debt held by the public, or the so-called external debt, is projected to be paid down by the surpluses accumulated in the Social Security Trust Funds, interest paid to the Social Security Trust funds in the form of bonds will continue to increase for more than a decade. At that time, in approximately 2014, unless Social Security reform has been accomplished, the Trust Funds will no longer be in surplus, but instead there will be a shortfall in those funds. As the bonds held by the Social Security Trust Funds are redeemed, we will therefore begin paying a portion of the interest owed to the Social Security Trust Funds, and eventually all of the interest owed to the Social Security Trust Funds, in cash. Also, we will then have to redeem the trillions of dollars of bonds representing principal owed to the trust funds.

Mr. President, I ask unanimous consent that a table entitled ''Interest Payments and Social Security'' based on data which has been provided to me by the Office of Management and Budget (OMB) be printed in the RECORD. (See Exhibit 1.)

The table shows that through 2035, under current projections, that although the cash interest payments to the public on external debt go down over the course of the next 15 years or so to zero, the amount of interest that the Treasury will be required to pay to the Social Security Trust Funds in bonds and eventually in cash rises steadily during that period and beyond. After that, the amount of cash necessary to redeem bonds representing principal held by the Social Security Trusts Funds kicks in and then rises sharply. The projections show that in the year 2025, for example, the Treasury would be required to pay to Social Security $295 billion in interest payments and an additional $35 billion in cash to redeem bonds representing principal held by the Social Security Trust Funds which will then be needed to pay benefits to recipients. Ten years later, in the year 2035, the projections show that, in the absence of Social security reform, the Treasury would be required to pay to Social Security $135 billion in interest payments and an additional $576 in cash for bonds representing principal redeemed. These obligations are one more powerful reason why a huge tax cut, at this time, before the surpluses have even actually materialized is, in my judgement, both unwise and imprudent.

EXHIBIT 1

INTEREST PAYMENTS AND SOCIAL SECURITY

[By fiscal year, in billions of dollars]

	2000	2005	2010	2015	2020	2025	2030	2035
Cash Interest Paid to Trust Fund	0	0	0	0	139.7	295.4	253.3	135.9
Interest Paid on External Debt	218.5	155.2	43.1	0	0	0	0	0
Bond Interest Paid to Trust Fund	58.2	98.5	158.8	225.0	139.2	0	0	0
Trust Fund Principal Redemptions in Cash	0	0	0	0	0	35.3	279.7	576.7

Source: OMB.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to recommit. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 65, nays 35, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—65

Abraham	Crapo	Jeffords
Allard	DeWine	Kennedy
Ashcroft	Domenici	Kerrey
Bayh	Enzi	Kerry
Bennett	Fitzgerald	Kohl
Bingaman	Frist	Kyl
Bond	Gorton	Landrieu
Breaux	Gramm	Lott
Brownback	Grams	Lugar
Bunning	Grassley	Mack
Burns	Gregg	McCain
Campbell	Hagel	McConnell
Chafee	Hatch	Murkowski
Cochran	Helms	Nickles
Collins	Hutchinson	Roberts
Coverdell	Hutchison	Roth
Craig	Inhofe	Santorum
Schumer	Snowe	Thurmond
Sessions	Specter	Torricelli
Shelby	Stevens	Warner
Smith (NH)	Thomas	Wyden
Smith (OR)	Thompson	

NAYS—35

Akaka	Edwards	Lincoln
Baucus	Feingold	Mikulski
Biden	Feinstein	Moynihan
Boxer	Graham	Murray
Bryan	Harkin	Reed
Byrd	Hollings	Reid
Cleland	Inouye	Robb
Conrad	Johnson	Rockefeller
Daschle	Lautenberg	Sarbanes
Dodd	Leahy	Voinovich
Dorgan	Levin	Wellstone
Durbin	Lieberman	

The motion was agreed to.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 1397

Mr. MCCAIN. Mr. President, I call up amendment No. 1397 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN) proposes an amendment numbered 1397.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. MCCAIN. Mr. President, my amendment would create a national three-year school choice demonstration for children from economically disadvantaged families and the cost of this is fully paid for by eliminating unnecessary corporate subsidies for the ethanol, oil, gas, and sugar industries.

This demonstration would provide educational opportunities for low-income children by providing parents and students the freedom to choose the

best school for their unique academic needs, while encouraging schools to be creative and responsive to the needs of all students.

Each eligible child would receive $2,000 each year for attending any school of their choice—including private or religious schools.

In total, the amendment authorizes $5.4 billion for the three-year school choice demonstration program, as well as a GAO evaluation of the program upon its completion. The cost of this important test of school vouchers is fully offset by eliminating more than $5.4 billion in unnecessary and inequitable corporate tax loopholes which benefit the ethanol, sugar, gas and oil industries.

These tuition vouchers would help provide over 1 million low-income children trapped in poor performing schools the same educational choices as children of economic privilege.

Providing educational choice to low-income children is an important step in ensuring all our children, not just wealthy children can make their dreams a reality.

We can not afford to continue subsidizing the ethanol, sugar, oil and gas industries at a time when we are struggling to save Social Security and Medicare, provide much needed and deserved tax relief to American families and strengthening our investment in the health, security and education of our children—our future.

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

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I oppose this amendment on procedural grounds. This is a highly complex subject. It is a subject that I am sure will be debated extensively as we consider the Elementary and Secondary Education Act. But in principle also I think it is inappropriate to divert these resources to private education when we have so many unmet needs in public education.

I believe also that if we adopt the underlying tax bill there will be even less resources to devote to public education and it will exacerbate the demands that we already must meet with respect to public education.

There is a difference between private schools and public schools. Private schools can exclude children. Public schools must educate every child in America.

I believe our obligation and commitment is to public education, and this amendment will defeat that.

I also note that the pending amendment is not germane.

Therefore, I raise a point of order that the amendment violates Section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the point of order against amendment No. 1397, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. HAGEL). The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the McCain amendment No. 1397. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant proceed proceeded to call the roll.

The yeas and nays resulted—yeas 13, nays 87, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—13

Allard	Kyl	Shelby
Biden	Lieberman	Specter
DeWine	McCain	Thompson
Gregg	Moynihan	
Hutchinson	Santorum	

NAYS—87

Abraham	Edwards	Lincoln
Akaka	Enzi	Lott
Ashcroft	Feingold	Lugar
Baucus	Feinstein	Mack
Bayh	Fitzgerald	McConnell
Bennett	Frist	Mikulski
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Gramm	Nickles
Breaux	Grams	Reed
Brownback	Grassley	Reid
Bryan	Hagel	Robb
Bunning	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Roth
Campbell	Hollings	Sarbanes
Chafee	Hutchison	Schumer
Cleland	Inhofe	Sessions
Cochran	Inouye	Smith (NH)
Collins	Jeffords	Smith (OR)
Conrad	Johnson	Snowe
Coverdell	Kennedy	Stevens
Craig	Kerrey	Thomas
Crapo	Kerry	Thurmond
Daschle	Kohl	Torricelli
Dodd	Landrieu	Voinovich
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden

The PRESIDING OFFICER. On this vote the yeas are 13 and the nays are 87. Three-fifths of the Senators present and voting, not having voted in the affirmative, the motion to waive the Budget Act is rejected. The point of order is sustained, and the amendment falls.

The Senator from Nebraska.

CHANGE OF VOTE

Mr. HAGEL. Mr. President, on rollcall No. 238, I voted ''aye''. It was my intention to vote ''no.'' Therefore, I ask unanimous consent that I be permitted to change my vote since it would in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1383

(Purpose: To Increase the Federal minimum wage.)

Mr. KENNEDY. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 1383.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. KENNEDY. Mr. President, Republicans continue to deny us the opportunity to vote on our bill to raise the minimum wage for the lowest paid workers. That is why I have filed the Fair Minimum Wage Act of 1999 as an amendment to the Budget Reconciliation Bill.

Shame on Congress for giving tax breaks to the rich, but denying a pay raise for the working poor. The $792 billion Republican tax package will disproportionately benefit the richest Americans. Almost thirty percent of the tax breaks, once fully implemented, will go to the wealthiest 1 percent of Americans—those who make over $300,000 a year. Seventy-five percent of the tax breaks will benefit the wealthiest 20 percent of Americans—those with an average income of over $139,000.

But these tax breaks do virtually nothing for the lowest paid workers. They give minimum wage earners less than $22 a year in tax relief, compared to an average tax break of $22,964 a year for the wealthiest Americans. The Republicans want to give America's wealthiest 1 percent a tax break that is equal to or higher than what 40 percent of Americans earn in a year.

The vast magnitude of these tax breaks is possible only because they depend on severe budget cuts in Head Start, Summer Jobs for low-income youth, and HUD housing subsidies for low-income tenants. Shame on Congress for ignoring the majority of America's workers to benefit the wealthy few.

Our amendment is a modest proposal to raise the minimum wage from its present level of $5.15 an hour to $5.65 on September 1, 1999 and to $6.15 on September 1, 2000. It will help over 11 million American families.

At $6.15 an hour, working full-time, a minimum wage worker would earn $12,800 a year under this amendment—an increase of over $2,000 a year.

That additional $2,000 will pay for seven months of groceries to feed the average family. It will pay the rent for an average family for five months. It will pay for almost ten months of utilities. It will cover a year and a half of tuition and fees at a two-year college, and provide greater opportunities for those struggling at the minimum wage to obtain the skills needed to obtain better jobs.

The national economy is the strongest in a generation, with the lowest unemployment rate in three decades. Under the leadership of President Clinton, the country as a whole is enjoying a remarkable period of growth and

prosperity. Enterprise and entrepreneurship are flourishing—generating unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, and interest rates are low. We are witnessing the strongest peace-time growth in our history.

The sad reality, however, is that low wage workers are being left behind. And the Republican tax bill only widens the gap between the wealthy and the working poor. The Republican pension provisions, for example, only benefit high income Americans with extra income to contribute to IRAs and 401(k) plans. Raising the contribution limits on these savings vehicles only discourages companies from offering across-the-board retirement plans that benefit all employees. The Republican tax bill also undermines the current tax code rules that require retirement benefits to be distributed fairly among lower and higher paid workers.

Under current law, minimum wage earners can barely make ends meet. Working 40 hours a week, 52 weeks a year, they earn $10,712—almost $3,200 below the poverty line for a family of three. The real value of the minimum wage is now more than $2.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage should today be at least $7.49 an hour, not $5.15. This unconscionable gap shows how far we have fallen short over the past three decades in giving low income workers their fair share of the country's extraordinary prosperity.

To rub salt in the wound, Congress recently signed off on a cost of living pay increase for every member of the Senate and House of Representatives. Republican Senators don't blink about giving themselves an increase—how can they possibly deny a fair increase to minimum wage workers?

It is time to raise the Federal minimum wage. No one who works for a living should have to live in poverty. I urge my colleagues to join me in raising the minimum wage.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we should not be passing a law on a tax cut bill to say it is against the law anywhere in the country to work for $6.10 an hour, that the Federal Government, in its infinite wisdom, decided if you don't have a job that pays at least $6.15 an hour you should be unemployed. That would be a serious mistake.

This language in this amendment is not germane to the bill now before us. I now raise a point of order under section 305(b)(2) of the Congressional Budget Act.

Mr. KENNEDY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive all the applicable sections of the Act for consideration of the pending amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to the Kennedy amendment, No. 1383. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 46, nays 54, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—46

Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Fitzgerald	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	
Edwards	Lieberman	

NAYS—54

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Graham	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Voinovich
Enzi	Mack	Warner

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

AMENDMENT NO. 1386

(Purpose: To provide a complete substitute)

Mr. SPECTER. Mr. President, I call up amendment No. 1386.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1386.

(The amendment is printed in a previous edition of the RECORD.)

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I urge my colleagues to support this flat tax amendment realistically as a protest against the complicated Tax Code which now numbers some 7.5 million words, costs $600 billion in compliance, and takes 5.4 billion hours to comply. This amendment is supported by Senator LOTT, Senator NICKLES, Senator CRAIG, and others.

In a very shorthand statement, this is a tax return under the flat tax. It is a postcard, and it can be filled out in 15 minutes. It eliminates taxes on capital gains, on estates, and on dividends, all of which have been taxed before. It is not regressive. There is no tax for a family of four up to $27,500 in earnings, which is 53 percent of Americans. There is a reduction in tax for $1,000 up to $35,000. It is even at $75,000. An affirmative vote will signal a protest to urge the Finance Committee and Ways and Means to give serious consideration to this important reform.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we have not seen a copy of this amendment, but I assume it is the standard flat tax that has been discussed for years. If that is the case, then the net effect of it will be, for most income earners, most American taxpayers, in effect, a tax increase. The only taxpayers with a tax reduction under the standard flat tax proposal will be those of adjusted gross incomes of over $200,000, and the tax reduction will be 50 percent. Stated differently, this is a tax on workers but it is not a tax on investment income, it is not a tax on other income, which I think is unfair.

In any event, the amendment is not germane. I raise a point of order that it violates section 305(b)(2) of the Budget Act.

Mr. SPECTER. Mr. President, under the applicable provision, I move to waive the provision as to germaneness, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to amendment No. 1386. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 35, nays 65, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—35

Allard	Gramm	Murkowski
Bennett	Grassley	Nickles
Brownback	Gregg	Reid
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Cochran	Hutchison	Smith (NH)
Collins	Inhofe	Specter
Coverdell	Kyl	Stevens
Craig	Lott	Thomas
Crapo	Mack	Thompson
Frist	McCain	Thurmond
Gorton	McConnell	

NAYS—65

Abraham	Conrad	Harkin
Akaka	Daschle	Hollings
Ashcroft	DeWine	Hutchinson
Baucus	Dodd	Inouye
Bayh	Domenici	Jeffords
Biden	Dorgan	Johnson
Bingaman	Durbin	Kennedy
Bond	Edwards	Kerrey
Boxer	Enzi	Kerry
Breaux	Feingold	Kohl
Bryan	Feinstein	Landrieu
Bunning	Fitzgerald	Lautenberg
Byrd	Graham	Leahy
Chafee	Grams	Levin
Cleland	Hagel	Lieberman

Lincoln	Roberts	Snowe
Lugar	Rockefeller	Torricelli
Mikulski	Roth	Voinovich
Moynihan	Santorum	Warner
Murray	Sarbanes	Wellstone
Reed	Schumer	Wyden
Robb	Smith (OR)	

The PRESIDING OFFICER. On this vote the yeas are 35, the nays are 65. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 1416

(Purpose: To amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and a tax credit for student education loans)

Mr. SCHUMER. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New York [Mr. SCHUMER], for himself, Ms. SNOWE, Mr. BAYH, and Mr. SMITH of Oregon, proposes an amendment numbered 1416.

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

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

(The text of the amendment is printed in a prior edition of the RECORD.)

Mr. SCHUMER. I thank the Chair. I yield 30 seconds of my time to the Senator from Maine when I am completed.

This amendment is simple. It is bipartisan, sponsored by the Senator from Maine, Ms. SNOWE, Mr. SMITH of Oregon, Mr. BAYH of Indiana, and myself. It seeks no political advantage for either side. It helps the middle class in a vitally needed way, by making college tuition, up to $12,000, fully deductible for all those in the 28 percent bracket or lower. That is over 90 percent of all Americans. The average middle class person making $50,000, $60,000, $70,000 a year sweats at night worrying about paying for the cost of college, which is getting higher and higher. I urge support of the amendment.

The PRESIDING OFFICER (Mr. BUNNING). The Senator's 30 seconds have expired.

The Senator from Maine.

Ms. SNOWE. Mr. President, I urge my colleagues to support this amendment. It will dramatically improve access for working American families in this country to pursue higher education. The bottom line is that even as the cost of college has quadrupled over the past 20 years, in fact, growing nearly to twice the rate of inflation, the value of Pell grants has actually decreased. Where it used to cover 39 percent of the cost of public education, today it is 22 percent. In fact, in the last 5 years alone, the total amount of college loans has soared by 82 percent, even after adjusted for inflation. I hope that we will help American families with this amendment.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, Senator SCHUMER's amendment would provide a full tax deduction for higher education and a tax credit for student loans. While I recognize that we need to assist American families with the cost of higher education, I cannot support this amendment. The costs of this amendment are enormous. I understand that it would cost something like $25 billion over 10 years, but the pay-for would delay the AMT relief that is provided in this bill. That delay would impact on working Americans, depriving them of the child credit, personal exemptions, and, ironically, educational benefits such as the HOPE scholarship and lifetime earnings.

Mr. President, I regret that I must make a point of order against the amendment under section 305 of the Budget Act on the grounds it is not germane.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Schumer amendment No. 1416. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—53

Abraham	Edwards	Lincoln
Akaka	Feingold	Mikulski
Baucus	Feinstein	Moynihan
Bayh	Fitzgerald	Murray
Biden	Graham	Reed
Bingaman	Harkin	Reid
Boxer	Hollings	Robb
Breaux	Inouye	Rockefeller
Bryan	Johnson	Santorum
Byrd	Kennedy	Sarbanes
Cleland	Kerrey	Schumer
Collins	Kerry	Smith (OR)
Conrad	Kohl	Snowe
Daschle	Landrieu	Specter
DeWine	Lautenberg	Torricelli
Dodd	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	

NAYS—47

Allard	Gorton	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brownback	Gregg	Roberts
Bunning	Hagel	Roth
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
Domenici	Lott	Voinovich
Enzi	Lugar	Warner
Frist	Mack	

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

OBJECTION TO COMMITTEE MEETING

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I note that the banking committee is meeting at this time, and objection to that meeting has been made for the RECORD.

The PRESIDING OFFICER. It is so noted.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank the majority leader, the minority leader, and also Senator ROTH, Senator REID, and Senator MOYNIHAN.

We have made very good progress in reducing the number of amendments. I think we are down to maybe a few amendments. I know that on this side we are only looking at one or two that would require a rollcall vote. We are trying to make it one or two. We have a few more requests. I think we are making good progress. I know Senator REID is making good progress.

That is for the information of our colleagues.

We would also like to keep the rollcall votes to 10 minutes. The last rollcall vote went a little extra. We are going to finish this bill today. It is in everybody's interest to stay on the floor and to have timely rollcall votes.

We expect to accept a couple of amendments right now. That will help expedite the process.

I yield the floor.

AMENDMENT NO. 1452

(Purpose: To increase the mandatory spending in the Child Care and Development Block Grant by $10,000,000,000 over 10 years in order to assist working families with the costs of child care, and for other purposes)

Mr. DODD. Mr. President, I call up amendment 1452 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself and Mr. JEFFORDS, proposes an amendment numbered 1452.

(The text of the amendment is printed in a previous edition of the RECORD.)

Mr. JEFFORDS. Mr. President, the child development block grant has helped thousands of families keep jobs by helping offset the enormous costs of child care, which enable them to go to work. In most cases, subsidies are so low that families are forced to use the cheapest and, in many cases, the poorest quality child care.

There are 66 Senators who voted for the money in the budget for this purpose. The kids at the Burlington YMCA are right: We must act now for quality child care.

Mr. DODD. Mr. President, this is a very good amendment. Only one in 10 eligible children is being served.

I thank my colleagues, Senators JEFFORDS, CHAFEE, SNOWE, COLLINS, ROBERTS, SPECTER, STEVENS, and DOMENICI. This is a large bipartisan group that cares about this very much.

These are needed resources to get to children who are not being well served. The tax credit is not refundable so it does not reach that low-income category. This child care development block grant does assist these families.

For those reasons, we urge adoption of the amendment. I thank the leadership for agreeing this be done on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1452) was agreed to.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, despite the opportunities we have had in this bill and in the Finance Committee to address the $112 billion school repair needs in this country, this tax bill is simply inadequate in terms of infrastructure assistance for our Nation's schools.

We know 14 million children attend schools in need of extensive repair or complete replacement. We know we need to build 2,400 new schools by 2003 to accommodate record school enrollments. We know we need to equip our schools with modern technology and the infrastructure necessary to support that technology. We know all these things. Yet we have reported a tax bill that only helps build and renovate 200 schools. We cannot starve our schools of resources and then criticize them when they are overcrowded or dilapidated.

On behalf of Senators LAUTENBERG, CONRAD, HARKIN, and WELLSTONE, I move to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days with an amendment reducing or deferring by $5.7 billion over the next 10 years certain new tax rates in the bill that benefit those who least need relief.

Mr. NICKLES. I think this procedure would be a serious mistake. We don't want Federal bureaucrats trying to improve school construction programs. I think it would be a serious mistake. We should leave those decisions of which schools to be building and which schools to repair to the State and local governments.

I move to table the motion, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—55

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NAYS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

The motion was agreed to.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. WELLSTONE. I call up my motion to recommit on veterans' health care.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] moves to recommit the bill, S. 1429, to the Committee on Finance with instructions that the Committee on Finance report the bill to the Senate with provisions which—

Establish a reserve account for purposes of providing funds for medical care for veterans;

Provide for the deposit in the reserve account of $3,000,000,000 in each of fiscal years 2000 through 2004;

Make available amounts in the reserve account in those fiscal years for purposes of medical care for veterans, which amounts shall be in addition to any other amounts available for medical care for veterans in those fiscal years; and

Provide that amounts for deposits in the reserve account shall be derived by reductions in the amounts of new tax reductions provided in the bill, wherever possible, for individuals with incomes exceeding $200,000 per year.

Mr. WELLSTONE. Mr. President, I introduce this motion with Senator JOHNSON, Senator DASCHLE, and Senator HARKIN. This motion calls for $3 billion added to veterans' health care. That is consistent with what the Veterans' Affairs Committee has said we need to do. That is consistent with the veterans independent budget. That is consistent with the report we did last week on the gaps in veterans' health care, and every single Senator voted on the budget resolution for a $3 billion increase for veterans' health care. That is the least we should do to make sure there is high-quality health care for veterans in our country.

Mr. JOHNSON. Mr. President, the underlying tax bill calls for domestic spending reductions of anywhere from 24 to 38 percent, closing down VA hospitals from one end of this country to the other. This is the one vote on which my colleagues will have an opportunity to make sure there is enough money in the VA system to keep those hospitals open.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I agree with my colleagues on the other side. Yet the President's budget devastates veterans' health care. The flat-line budget proposed by this administration will result in some 13,000 Veterans Affairs employees being RIF'd or furloughed. It will close down facilities. It will throw people out of the care of the veterans facilities.

The problem is that this motion does nothing to get money to veterans. This body has already gone on record saying we do not want to stay at the low level submitted by the President. That is why we are going to increase by hundreds of millions of dollars in the appropriations bill the amount we spend for veterans' health care. We are concerned about veterans' health care. That is why we are not going to tolerate the unforgivably small budget that the President has proposed. This is an attempt to provide appropriations when, in fact, it will have no such impact. There is $505 billion set aside in this plan for spending on high-priority matters.

Mr. President, I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane.

Mr. WELLSTONE. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act with respect to the motion to recommit. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 58, nays 42, as follows:

[Rollcall Vote No. 243 Leg.]

YEAS—58

Abraham	Baucus	Biden
Akaka	Bayh	Bingaman

Boxer	Hutchinson	Murray
Bryan	Hutchison	Reed
Burns	Inouye	Reid
Byrd	Jeffords	Robb
Cleland	Johnson	Rockefeller
Collins	Kennedy	Santorum
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
DeWine	Kohl	Smith (NH)
Dodd	Landrieu	Snowe
Dorgan	Lautenberg	Specter
Durbin	Leahy	Thomas
Edwards	Levin	Torricelli
Feingold	Lieberman	Warner
Feinstein	Lincoln	Wellstone
Graham	McCain	Wyden
Harkin	Mikulski	
Hollings	Moynihan	

NAYS—42

Allard	Enzi	Lugar
Ashcroft	Fitzgerald	Mack
Bennett	Frist	McConnell
Bond	Gorton	Murkowski
Breaux	Gramm	Nickles
Brownback	Grams	Roberts
Bunning	Grassley	Roth
Campbell	Gregg	Sessions
Chafee	Hagel	Shelby
Cochran	Hatch	Smith (OR)
Coverdell	Helms	Stevens
Craig	Inhofe	Thompson
Crapo	Kyl	Thurmond
Domenici	Lott	Voinovich

The PRESIDING OFFICER (Mr. ROBERTS). On this vote the yeas are 58, the nays are 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

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

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

The motion to lay on the table was agreed to.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

MOTION TO RECOMMIT

Mr. BINGAMAN. Mr. President, I have a motion at the desk to recommit to the Finance Committee that I call up at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New Mexico [Mr. BINGAMAN] moves to recommit the bill to the Committee on Finance with instructions to report back within three days with an amendment providing for an additional $100 billion of debt reduction, and to do so by reducing narrowly-targeted, special-interest tax breaks and tax reductions that disproportionately benefit the wealthy.

Mr. BINGAMAN. Mr. President, we have a historic opportunity before us. For the first time in my nearly two decades in the Senate, we are presented with predictions of a growing surplus. We made the tough choices in 1993 and again in 1997 to bring spending under control, to reduce the deficit, and to restore the federal budget to balance.

We are at a crossroads now and must decide how to respond to this opportunity. Will we invest it wisely and prudently, or will it be squandered? Will we return to the disastrous policies of the 1980's, or can we stay on the path of fiscal discipline? The American public is deeply cynical about government. Now is our chance to prove we can come together in our national interest.

I am deeply concerned about the Republican plan for using this surplus. In my opinion, they are squandering an opportunity we won't have again to extend the solvency of Medicare and Social Security, to invest in key priorities like education, the environment and medical research, and to pay down our national debt. We shouldn't go off on a spending or tax-cutting spree when we have this huge debt to repay.

Unfortunately, the Republicans have chosen to focus single-mindedly on cutting taxes. I believe we should have a tax cut—I would favor tax relief for working families, such as easing the marriage penalty and increasing the per-child credit—but this bill goes much too far. Instead, we need to balance the money among several key priorities.

There is almost no single policy that is more important to the long-term health of our budget, to the sustainability of the surplus, and to our overall economy, than paying off some of our three-and-half trillion dollar national debt. We cannot leave this burden to our grandchildren.

With a single voice, economists have told us of the benefits of and importance of paying down that debt. It will lead to lower interest rates. It will produce higher surpluses, because we will be paying less interest. And it will be of tremendous benefit to the economy, because it will free up private capital for productive investment that makes our economy grown, and raise the standard of living for us all.

Alan Greenspan himself has said repeatedly that the most important thing to do with the surplus is to pay down the debt. He has said it over and over and over again. And he's been saying it for quite some time now. Some of my Republican colleagues have seized on another statement he made—saying that if paying down the debt is not politically feasible, then he prefers tax cuts to spending.

My colleagues, there is no one here but us. We are in charge. We are free to vote for what's right, and to define what's possible or what's not. We can vote to reduce the debt, or to irresponsibly spend this one-in-a-lifetime surplus on an excessively large tax cut that would damage our economy and endanger Medicare and Social Security, education, law enforcement, defense—just about any important national program.

Paying off the debt today will also leave us in a much stronger position to afford the cost of the baby boom's retirement. As other speakers have pointed out, the cost of the Republican tax cuts begin to rise dramatically just at the same time the pressures on the budget begin to grow as the baby boomers start to retire.

But Republicans have rejected our attempts to pay down the debt. They claim they are doing plenty to pay down the debt—and that this is enough.

They may even talk about a Congressional Budget Office report that purports to show how their plan reduces the debt. But that analysis is based on a fiction; the fiction that Republicans will be able to cut spending dramatically—by nearly one-fourth. And if defense is funded at the level the Administration has requested, other important domestic programs would face cuts of nearly 40 percent. This means less medical research, dramatic cuts in the number of children participating in Head Start, substantial reductions in the number of law enforcement personnel, no new environmental cleanups, closures at national parks. The list goes on.

However, as we all know, Democrats and Republicans both, there is really no support for cuts of that magnitude, either in Congress or among the public. A story on the front page of the Washington Post on July 27, 1999 puts the lie to Republican assertions that they will be able to cut spending. They can't even pass this year's appropriations bills without resorting to smoke-and-mirrors gimmickry to hid the cost of their bills.

Without those cuts, they need to raid the Social Security trust fund to pay for their tax cut. And they will increase, rather than reduce, our national debt.

The truth is, they want their excessive, risky tax cut so badly that they are willing to put the health of our economy at risk, to endanger the security of retirees, and to short-change important national priorities like investments in education, medical research, the environment and even national defense.

Republicans want to spend 97 percent of the available non-Social Security surplus on tax cuts—tax cuts whose cost explodes in the future, overheat our economy, and disproportionately favor the rich and special interests.

Democrats have offered reasonable alternatives that balance tax cuts with Medicare solvency, debt reduction and investments in key domestic priorities. But these have all been rejected.

So I am making this last, very modest attempt to avoid wasting surplus—asking that $100 billion of this excessive tax cut be used instead for paying off more of our national debt. This would leave about 86 percent of the surplus for tax cuts—this is less than 97 percent they want to spend, but is still a substantial amount. We could do more to reduce the debt. I would like to do more. But this is a starting point.

My motion would instruct the Finance Committee to report the bill back in 3 days, with an amendment to reduce the tax cut by $100 billion, and use the savings to pay down more of our national debt. It also instructs the Committee to find the savings by reducing narrowly-targeted special interest tax breaks in the bill, and tax relief that disportionately benefits the wealthy.

Last week, just days after Republicans passed their tax bill out of committee, the Washington Post ran a

story detailing the special-interest giveaways in the Republican tax bills. These include special breaks for seaplane owners in Alaska, barge lines in Mississippi, and foreign residents who use frequent-flyer miles to purchase airline tickets. Since then, we have also learned just how skewed the bill is toward families with the very highest incomes. The top 1 percent of all taxpayers would receive a whopping 30 percent of the tax cuts. Overall, the top one-fifth of taxpayers would receive 75 percent of the tax relief. It seems to me there is plenty of room in this bill to reduce the tax cut by $100 billion for the sake of reducing our national debt.

The Republicans have rejected our balanced alternative to a huge, imprudent tax cut, and they have rejected our lockbox that would set aside money for Social Security and Medicare—but can't they even reduce their enormous, risky tax cut by $100 billion in order to further reduce our nation's indebtedness? That's only about 10 percent of the available surplus. Only 10 percent for prudence and responsibility, the rest to fulfill their agenda.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. One, I appreciate our colleague's willingness to have a voice vote. I encourage others to have voice votes.

For the information of all Senators, I think we are making good progress. We only have a few amendments left, maybe just three or four that require votes.

I urge our colleagues, on this particular motion—despite my colleague's very good intentions—to vote no by voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. DORGAN. Mr. President, I call up my motion to recommit.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit the the bill to the Committee on Finance, with instructions to report back within 3 days, with an amendment to reserve amounts sufficient to establish an improved income safety net for family farmers and ranchers in fiscal years 2000 through 2009, by limiting the bill's new tax breaks for large corporations and those with annual incomes in excess of $300,000.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, this is a motion to recommit. I will not seek a recorded vote on it. My motion to recommit is to recommit the bill to the Finance Committee with instructions to report back with an amendment to reserve sufficient amounts to establish an improved income safety net for family farmers and ranchers in fiscal years 2000 through 2009 by limiting the bill's new tax breaks for large corporations and those with annual incomes in excess of $300,000.

I ask for its immediate consideration.

Mr. ROTH. Mr. President, I suggest we are ready for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

Mr. ROTH. 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 New York.

Mr. MOYNIHAN. May I just note, sir, for the RECORD, there are several of us, including the junior Senator from Alaska, who regret that the rum cover-over provisions for Puerto Rico and the Virgin Islands are not included in this legislation. We hope to do so at some early future date. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 1470, WITHDRAWN

(Purpose: Providing the Sense of the Senate regarding Capital Gains Tax Cuts)

Mr. ABRAHAM. Mr. President, I call up amendment No. 1470.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM] proposes an amendment numbered 1470.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. ABRAHAM. Mr. President, this amendment tries to address what I consider to be one of the shortfalls in the Senate Finance Committee's tax bill. This tax bill does not include any provisions to reduce the capital gains tax rate. I believe we need to address the needs of America's growing investor class through mutual funds, pension plans, IRAs and other investment vehicles about 50 percent of Americans have. Half the Nation's population own stocks and other financial assets.

I believe it is time to put to rest once and for all the old class warfare slogan that only the rich pay capital gains taxes. Forty-nine percent of the investor class are women, and 38 percent are nonprofessional, salaried workers. Wall Street and Main Street are no longer separated. I believe it is time we recognize this fact and help new middle-class investors succeed in their drive to invest and save for the future.

I think it is time to cut the tax on mutual funds and pensions for working Americans and, therefore, I have offered this amendment which is a sense of the Senate suggesting we should, in the conference that will follow the passage of this legislation, recede to the House position which reduces capital gains tax rates.

The PRESIDING OFFICER. The distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. Accordingly, I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

Mr. ABRAHAM. Mr. President, I respond by saying that it is my impression that we will not have a majority for this amendment. We will not overcome the point of order. So at this time, in light of the time constraints we are operating under today, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The distinguished Senator from North Dakota.

AMENDMENT NO. 1439

(Purpose: To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes)

Mr. CONRAD. Mr. President, I call up my amendment No. 1439.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. REID, and Mr. ROBB, proposes an amendment numbered 1439.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. CONRAD. Mr. President, this amendment, I believe, addresses a critical national need. The Commerce Department tells us we have a shortage of information technology workers of 34,000 and that that will grow by 130,000 a year every year for the next 10 years. This amendment seeks to deal with that situation by providing for a tax credit of 20 percent, up to a limit of $6,000 per worker per year.

This means that the Federal Government would be in partnership with businesses training high-technology workers. The company would have to put up 80 percent of the cost, the Federal Government, through a tax credit, 20 percent. This is a reasonable response to a critical national need.

This amendment is cosponsored by Senator REID of Nevada, Senator ROBB of Virginia, and Senator ABRAHAM of Michigan. It is endorsed by the Information Technology Association of America, the Software Information Industry Association, the American Society for Training and Development, Cisco Systems, EDS, Intel, Microsoft, Texas Instruments, and many others.

Mr. NICKLES. Mr. President, I urge our colleagues to vote no on this

amendment, both on substance and also on a germaneness point, which I will raise in a moment.

The Senator is proposing a $6,000 tax credit if somebody is trained as a high-tech employee. We are going to have the Federal Government saying in this one area we want to pay $6,000 for this person to be trained how to run computers.

I want people to learn how to run computers. Millions of people are doing it today. They don't need the Federal Government to give them $6,000 to do it. What about steelworkers? What about auto workers? What about oil workers? What about factory workers? We don't do it for them. We shouldn't do it for this industry.

Also the Senator pays for it by taking away the tax benefits we have that allow people to enhance their retirement income. I think that is a serious mistake.

I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane, and I ask for the yeas and nays.

Mr. CONRAD. Mr. President, I move to waive the Congressional Budget Act point of order.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Conrad amendment No. 1439. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 46, nays 54, as follows:

[Rollcall Vote No. 244 Leg]

YEAS—46

Abraham	Edwards	Lieberman
Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Graham	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

NAYS—54

Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Enzi	Mack	Voinovich
Fitzgerald	McCain	Warner

The PRESIDING OFFICER. On this vote the yeas are 46, the nays are 54. Three-fifths of the Senators duly chosen not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

AMENDMENT NO. 1454

(Purpose: To block companies from entering into a situation where they are giving benefits to younger workers and denying those same benefits to older employees. The amendment clearly stops a method by which some employers skirt the intent of current law that prevents them from taking away already accrued pension benefits)

Mr. HARKIN. Mr. President, I call up amendment No. 1454 and ask unanimous consent that Senator KENNEDY and Senator WELLSTONE be added as cosponsors.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. HARKIN), for himself, and Mr. KENNEDY, and Mr. WELLSTONE, proposes an amendment numbered 1454.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. HARKIN. Mr. President, right now companies are changing pension plans. They are going from defined benefit plans to these cash balance plans. That is OK. This amendment doesn't stop that. But what is happening now is workers who have worked at these companies for sometimes 20 or 25 years have their pensions degraded. There are 5 to 7, and sometimes as many as 10, years when nothing is put into their pension plans. The younger workers are getting money paid into their pensions and the older workers are not.

This amendment says that if they change pension plans they can not discriminate against the older workers, and the companies have to put into the older workers' pension accounts whatever they are putting into the younger workers' pension accounts so that we don't have this kind of wear away for 5 or 7 years when older workers are denied their pension benefits.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I rise to oppose this amendment.

Employer sponsorship of defined benefit pension plans have been declining over the last few years, mainly due to the increased regulatory burden that Congress and the IRS has placed on employers who offer these plans to employees.

This amendment would also substantially impair the employer's ability to design and change their pension plans to meet the changing needs of the business and of the employees. In addition, it would punish good corporate citizens who maintain pension plans while leaving other companies free to terminate their plans in order to get from under this new law.

We have dealt with the concerns that participants do not know or understand changes to their pension plans with the more expansive disclosure requirements that are contained in this bill.

We should focus on revitalizing the defined pension system, rather than adding new burdens on employers who voluntarily establish these plans. For these reasons, I urge my colleagues to oppose this amendment.

Mr. President, I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane.

Mr. HARKIN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the Congressional Budget Act for the consideration of amendment No. 1454, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Harkin amendment No. 1454. The yeas and nays have been ordered. The clerk will call the roll

The legislative clerk called the roll.

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Rollcall Vote No. 245 Leg.]

YEAS—48

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bayh	Graham	Lincoln
Biden	Grassley	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Jeffords	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Specter
Dorgan	Landrieu	Torricelli
Durbin	Lautenberg	Wellstone
Edwards	Leahy	Wyden

NAYS—52

Abraham	Fitzgerald	Murkowski
Allard	Frist	Nickles
Ashcroft	Gorton	Roberts
Bennett	Gramm	Roth
Bond	Grams	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Stevens
Collins	Inhofe	Thomas
Coverdell	Kyl	Thompson
Craig	Lott	Thurmond
Crapo	Lugar	Voinovich
DeWine	Mack	Warner
Domenici	McCain	
Enzi	McConnell	

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 52.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized. The Senate will be in order.

Mr. KENNEDY. Mr. President, I send a motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] moves to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $39 billion to provide permanent appropriations to the Pell Grant program in years 2000 through 2009 by reducing or deferring certain new tax breaks in the bill, especially those that disproportionately benefit the wealthy.

Mr. KENNEDY. Mr. President, as I understand, there is a 2-minute time limit, 1 minute to either side; is that correct?

The PRESIDING OFFICER. The Senator's time is limited to 1 minute.

If we could have order in the Senate, please, we could expedite things.

The Senator is recognized for 1 minute.

Mr. KENNEDY. Mr. President, this is to try to provide some help and additional assistance to those individuals who are receiving the Pell grants. Those are virtually the lowest-income students. For the over 4 million students who are receiving Pell grants, their average income is $14,000 a year. They are the students who are encumbered to the greatest degree as a result of borrowing. They start out, if they are lucky enough to get into college, having these overwhelming debts. This would provide some $39 billion which would increase the Pell grants some $400. It would still only make them about 60 percent of what the Pell grants were some 20 years ago.

As we are looking out after providing tax breaks for those in the upper incomes, it does seem to me that to try to give further encouragement to able and gifted students at the lower income level deserves support.

The PRESIDING OFFICER. The distinguished Senator from Texas is recognized.

Mr. GRAMM. We are all aware Congress has provided substantial funds for Pell grants.

The PRESIDING OFFICER. The Senate is not in order.

Mr. GRAMM. Mr. President, you would have had to have just come in on a turnip truck not to realize this Congress is a major funder of Pell grants. We provide substantial funding in Pell grants in guaranteed student loans. What we have before us is not another assistance program, not another program that is trying to single out every interest group in America and give them something, but instead we have a tax bill that is aimed at letting working Americans keep more of what they earn so they can help send their children to college.

I hope we might see an amendment such as this withdrawn and not have to vote on it.

I yield the remainder of my time.

Mr. KENNEDY. Mr. President, as I understand it, the time has been used or yielded back. I look forward to a vote on this motion.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. DORGAN. I have a motion at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit the bill to the Committee on Finance, with instructions to report back within 3 days, with an amendment to reserve sufficient amounts of funding to allow our nation to reach our goal of serving one million children through the Head Start program and to ensure that the number of nutritionally at-risk women and children being served by the Special Supplemental Nutrition Program for Women, Infants, and Children will not be reduced in fiscal years 2000 through 2009, by limiting the bill's new tax breaks for those with annual incomes in excess of $300,000 and for large businesses.

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

Mr. DORGAN. Mr. President, I would like to take just a few seconds and then yield to Senator WELLSTONE the remainder of the 1 minute.

This is a motion to recommit the bill to the Committee on Finance with instructions to report back with an amendment to reserve sufficient amounts of funding to allow our Nation to reach our goal of serving 1 million children through the Head Start Program and to make sure we are not diminishing or threatening those who are receiving benefits under the WIC Program.

We hope if there is enough opportunity to provide tax cuts for 9 or 10 years, Members of the Senate will agree that Head Start and WIC also ought to receive priority.

I yield to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, this is all about whether or not we support children in our country. It is a terribly important program. We will vote it up or down on a voice vote. On the ag appropriations bill we will have a recorded vote.

The PRESIDING OFFICER. Does any Senator wish to speak in opposition?

Mr. ROTH. I suggest a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1456

Mr. ASHCROFT. Mr. President, I call up amendment No. 1456 which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 1456.

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

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

(The amendment is printed in a previous edition of the RECORD.)

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. ASHCROFT. Mr. President, this amendment simply eliminates from this bill a special tax cut aimed at foreign technologies for converting poultry waste into electricity. I agree with converting poultry waste into something useful, but I disagree with giving a tax break to foreign corporations when there are U.S. companies capable of achieving that end.

Two such companies exist in my home State. Agri-Cycle of Springfield, MO, processes chicken manure into pollution-free fertilizer pellets. The British company that wants to build the facility here and burn the waste claims they need the tax break because without it, they would not be able to expand here because they are used to large subsidies they receive from the British Government.

I ask my colleagues to support this amendment, and 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 PRESIDING OFFICER. Does any Senator wish to speak in opposition to the amendment?

The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to this amendment. The poultry provision in the Taxpayer Refund Act of 1999 meets three important criteria:

First, it facilitates the development and use of alternative fuel to generate clean electricity—energy that is not only abundant, but environmentally friendly. Certainly, in this summer of rolling brownouts, we cannot overstate how important this is.

Second, the poultry provision in this bill addresses the need to safely and effectively dispose of chicken waste. Poultry production in the United States has tripled since 1975. Along with this growth, comes the waste, and the need to dispose of it.

And third, the poultry provision in the bill demonstrates Congress' willingness to help our poultry farmers, while encouraging technological advances. Providing incentives for facilities that turn chicken waste into clean energy is consistent with our objectives.

For these reasons, I urge my colleagues to vote against this amendment, and to support the production of clean electricity—production that will help America meet its energy needs, while helping our farmers and protecting our environment.

Mr. MOYNIHAN. Mr. President, this measure was thoroughly discussed in the Committee on Finance and is well understood on our side. I support the chairman in the existing provision of the bill.

The PRESIDING OFFICER. The opposition time has expired.

Mr. ROTH. I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

The question is on agreeing to amendment No. 1456. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 23, nays 77, as follows:

[Rollcall Vote No. 246 Leg.]

YEAS—23

Abraham	Durbin	Kyl
Allard	Enzi	McCain
Ashcroft	Fitzgerald	Nickles
Bond	Gorton	Roberts
Brownback	Gregg	Smith (NH)
Burns	Inhofe	Thomas
Craig	Johnson	Wyden
Crapo	Kohl	

NAYS—77

Akaka	Frist	McConnell
Baucus	Graham	Mikulski
Bayh	Gramm	Moynihan
Bennett	Grams	Murkowski
Biden	Grassley	Murray
Bingaman	Hagel	Reed
Boxer	Harkin	Reid
Breaux	Hatch	Robb
Bryan	Helms	Rockefeller
Bunning	Hollings	Roth
Byrd	Hutchinson	Santorum
Campbell	Hutchison	Sarbanes
Chafee	Inouye	Schumer
Cleland	Jeffords	Sessions
Cochran	Kennedy	Shelby
Collins	Kerrey	Smith (OR)
Conrad	Kerry	Snowe
Coverdell	Landrieu	Specter
Daschle	Lautenberg	Stevens
DeWine	Leahy	Thompson
Dodd	Levin	Thurmond
Domenici	Lieberman	Torricelli
Dorgan	Lincoln	Voinovich
Edwards	Lott	Warner
Feingold	Lugar	Wellstone
Feinstein	Mack	

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Wisconsin.

AMENDMENT NO. 1417

(Purpose: To amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines)

Mr. FEINGOLD. Mr. President, I call up amendment No. 1417.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 1417.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. FEINGOLD. Mr. President, my amendment eliminates the percentage depletion allowance for minerals mined on Federal public lands. It applies only to hard rock minerals and does not touch oil and gas, and it preserves the deduction for private lands.

The President's fiscal year 2000 budget recommends eliminating this tax break. OMB estimates this amendment would raise $478 million over 5 years.

We allow companies to mine on public lands for very low patent fees already. We shouldn't continue to provide them with a double subsidy by preserving this special tax break for hard rock mining companies which ordinary businesses do not get.

I understand this will be the subject of a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1417.

The amendment (No. 1417) was rejected.

Mr. ROTH. Mr. President, I recognize Senator COVERDELL for the next amendment.

AMENDMENT NO. 1426, AS MODIFIED

Mr. COVERDELL. Mr. President, I ask unanimous consent to send a modification of my amendment No. 1426 to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself, Mr. TORRICELLI, Mr. DOMENICI, Mr. BAYH, and Mr. ABRAHAM, proposes an amendment numbered 1426, as modified.

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

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

The amendment, as modified, is as follows:

On page 32, strike lines 12 through 14, insert the following:

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. ___. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1203 and by inserting after section 1201 the following new section:

"SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

"(1) the net capital gain of the taxpayer for the taxable year, or

"(2) $1,000.

"(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

"(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

"(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

"(1) an 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,

"(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

"(3) an estate or trust.

"(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

"(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

"(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an S corporation,

"(D) a partnership,

"(E) an estate or trust, and

"(F) a common trust fund."

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:

"(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

"(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

"(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

"(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202."

(d) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following new paragraph:

"(12) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes

of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end the following new sentence: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(e) PERSONAL EXEMPTIONS ALLOWED IN COMPUTING MINIMUM TAX.—

(1) IN GENERAL.—Subparagraph (E) of section 6(b)(1) is amended by striking ''$50'' and inserting ''$300''.

(2) CONFORMING AMENDMENT.—Subparagraph (E) of section 56(b)(1), as amended by section 206(b)(2), is amended by striking ''$50'' and inserting ''$300''.

(f) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) is amended by striking ''1202'' and inserting ''1203''.

(2) Clause (iii) of section 163(d)(4)(B) is amended to read as follows:

''(iii) the sum of—

''(I) the portion of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net capital gain referred to in clause (ii)(I)) taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202, plus

''(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.''

(3) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the deduction under section 1202 and the exclusion under section 1203 shall not be allowed.''

(4) Section 642(c)(4) is amended by striking ''1202'' and inserting ''1203''.

(5) Section 643(a)(3) is amended by striking ''1202'' and inserting ''1203''.

(6) Paragraph (4) of section 691(c) is amended inserting ''1203,'' after ''1202,''.

(7) The second sentence of section 871(a)(2) is amended by inserting ''or 1203'' after ''section 1202''.

(8) The last sentence of section 1044(d) is amended by striking ''1202'' and inserting ''1203''.

(9) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1202 and the exclusion provided by section 1203 shall not apply'' before the period at the end.

(10) Section 121 is amended by adding at the end the following new subsection:

''(h) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(11) Section 1203, as redesignated by subsection (a), is amended by adding at the end the following new subsection:

''(l) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(12) The table of sections for part I of subchapter P of chapter 1 is amended by striking the item relating to section 1202 and by inserting after the item relating to section 1201 the following new items:

''Sec. 1202. Capital gains deduction.

''Sec. 1203. 50-percent exclusion for gain from certain small business stock.''

(g) 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, 2005.

(2) COLLECTIBLES.—The amendments made by subsection (d) shall apply to sales and exchanges after December 31, 2005.

Mr. COVERDELL. Mr. President, it is my understanding this will be done by a voice vote. I am going to speak for about 50 seconds and yield to my coauthor, Senator TORRICELLI from New Jersey.

Seventy-five percent of stockholders today have household incomes less than $75,000. The Coverdell-Torricelli amendment targets middle-class investors by exempting their first $1,000 capital gains from taxation, beginning in fiscal year 2006. This is a bipartisan amendment, which is also cosponsored by, as I said, Senators TORRICELLI, DOMENICI, BAYH, and ABRAHAM. It will wipe out the gains tax for millions of middle-class taxpayers and promote tax simplification.

I yield the remainder of my minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, Senator BAYH and I have joined with Senator COVERDELL on this amendment. It is simple on its face: to encourage people to engage in modest savings, eliminating $1,000 of capital gains tax for modest savers. Seventy-five percent of the people who will be affected by this earn less than $70,000. It is to encourage the culture of savings so people plan for their own retirements and security in their own families.

The Nation today is in the midst of a savings crisis. I know of no better way to encourage people to participate in the growth of this economy and investment than giving this simple $1,000 exclusion on their capital gains.

I thank the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. ROTH. Mr. President, I call for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1426, as modified.

The amendment (No. 1426) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. I recognize Senator SNOWE for the next amendment.

AMENDMENT NO. 1468

Ms. SNOWE. Mr. President, I call up amendment No. 1468.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE] proposes an amendment numbered 1468.

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

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

(The amendment is printed in a previous edition of the RECORD.)

Ms. SNOWE. Mr. President, I ask unanimous consent to add Senator SCHUMER as a cosponsor of this amendment.

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

Ms. SNOWE. Mr. President, essentially this takes a provision that is included in the amendment that Senator SCHUMER and I had offered that addresses the growing debt burden faced by recent college students.

The bottom line is, we all recognize that the cost of college education has quadrupled over the last 20 years, growing at twice the rate of inflation. In fact, over the past 5 years, the demand for college loans has soared by more than 82 percent. Therefore, recent graduates have been forced to assume a greater burden of debt after they graduate from college.

My amendment would add a tax credit for interest on student loans for the first 5 years upon graduation so that it would ease the amount of debt that individuals have to assume. It would be a $1,500 tax credit. In fact, this has received the support of the American Council on Education.

I will quote from this letter:

By adding your amendment to the Roth provision, students who are working hard to repay their loans will receive tax relief for the duration of their repayment and benefit from the additional relief of your credit during their first years out of college.

I ask unanimous consent to have printed in the RECORD the letter from which I just quoted.

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

AMERICAN COUNCIL ON EDUCATION,
OFFICE OF THE PRESIDENT,
Washington, DC, July 30, 1999.

Hon. OLYMPIA J. SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATOR SNOWE: The higher education associations listed below write in support of your amendment to create a tax credit for interest payments on student loans. Your amendment, which would provide a $1,500 tax credit on interest payments for the first 60 months of repayment, is a welcome addition to the provisions already contained in Chairman Roth's bill.

We strongly support the provisions that Chairman Roth has included in his bill to expand the existing Student Loan Interest Deduction by eliminating the 60 payment restriction and by modestly increasing the income limits for married couples. We understand that your amendment is fully offset,

and will not change any of the underlying education provisions in S. 1429.

By adding your amendment to the Roth provisions, students who are working hard to repay their loans will receive tax relief for the duration of their repayment and benefit from the additional relief of your credit during their first years out of college.

Thank you for your efforts to lessen the burden on student borrowers.

Sincerely,

STANLEY O. IKENBERRY,
President.

On behalf of:

American Association of Community Colleges.

American Association of State Colleges and Universities.

American Council on Education.

Association of American Universities.

Association of Jesuit Colleges and Universities.

Council of Independent Colleges.

National Association of Independent Colleges and Universities.

National Association of State Universities and Land-Grant Colleges.

National Association of Student Financial Aid Administrators.

United States Student Association.

US PIRG.

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

Mr. ROTH. Mr. President, I suggest a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1468.

The amendment (No. 1468) was rejected.

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

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I recognize Senator GREGG for the next amendment.

AMENDMENT NO. 1375, AS MODIFIED

(Purpose: To provide a minimum dependent care credit for stay-at-home parents, and for other purposes)

Mr. GREGG. Mr. President, I send an amendment to the desk and ask for its modification.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 1375, as modified.

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

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

The amendment, as modified, is as follows:

On page 21, before line 1, insert:

(c) MINIMUM DEPENDENT CARE CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of any taxpayer with 1 or more qualifying individuals described in subsection (b)(1)(A) under the age of 1, such taxpayer shall be deemed to have employment-related expenses for the taxable year with respect to each such qualifying individual in an amount equal to the sum of—

''(i) $200 for each month in such taxable year during which such qualifying individual is under the age of 1, and

''(ii) the amount of employment-related expenses otherwise incurred for such qualifying individual for the taxable year (determined under this section without regard to this paragraph).

''(B) ELECTION TO NOT APPLY THIS PARAGRAPH.—This paragraph shall not apply with respect to any qualifying individual for any taxable year if the taxpayer elects to not have this paragraph apply to such qualifying individual for such taxable year.''.

On page 21, line 1, strike ''(c)'' and insert ''(d)''.

Mr. GREGG. Mr. President, this is the stay-at-home-moms amendment. It basically extends the dependent care tax credit to stay-at-home moms. I note that the Senate voted 96–0 in a sense of the Senate for this proposal. It applies to the first year of the child's life and would apply the dependent care tax credit to that first year, so that mothers who stay at home and raise children are treated the same way as mothers who have to go to work and send their children to day care.

I note that it is an amendment that is targeted at middle- and low-income families, with stay-at-home mothers in households with an average $38,000 in income and with two working parents with an average income of about $58,000. It is a proposal the Senate has spoken on relative to the sense of the Senate. Therefore, I hope the Senate supports this proposal.

I ask for a voice vote.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I urge my colleagues to support the Gregg amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1375) was agreed to.

VOTE ON AMENDMENT NO. 1468

Mr. NICKLES. Mr. President, if I might have the attention of the Senate, a moment ago we had a voice vote on the Snowe amendment and there was some question on the outcome. I think the Chair ruled ''no'' on the Snowe amendment, and I personally think there was a significant question about that. A lot of people voted in favor of the Snowe amendment. So I move to reconsider the vote on the Snowe amendment.

The PRESIDING OFFICER. Is there objection to reconsidering the vote?

Without objection, the vote will be reconsidered.

The question is on agreeing to amendment No. 1468 by the Senator from Maine, Ms. SNOWE.

The amendment (No. 1468) was agreed to.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

MOTION TO WAIVE

Mr. ROTH. Mr. President, section 202 of S. 1429 makes certain that the marriage penalty relief in the bill also applies to married couples receiving earned-income tax credits. Thus, the provision violates the Budget Act because it increases outlays.

In order to protect the provision against a point of order, I move to waive any point of order against section 202 in this legislation, a subsequent conference report, or in an amendment between the Houses if such point of order is made on the grounds that the enhancement of the earned-income tax credit for married couples is an increase in outlays.

I call for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware.

In the opinion of the Chair, three-fifths of the Senators duly sworn having voted in the affirmative, the motion is agreed to.

Mr. ROTH. Mr. President, I ask unanimous consent that notwithstanding the passage of the reconciliation bill, the managers of the bill have the authority, in conjunction with the Secretary of the Senate, to make further changes to the bill.

I further ask consent that the changes just described must be cleared by both managers and the authority extend until 5 p.m. on Friday.

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

AMENDMENTS AGREED TO, EN BLOC

Mr. ROTH. Mr. President, I send a series of amendments to the desk and ask unanimous consent that these amendments be considered agreed to en bloc, the motion to reconsider be laid upon the table, and any statements relating to these amendments appear at this point in the RECORD. I indicate to my colleagues that these amendments have been cleared on both sides of the aisle.

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

The amendments (Nos. 1377, 1387, 1394, 1402, 1407, 1425, 1441, 1458, 1460, 1464, 1479, 1485, 1488, and 1491), en bloc, were agreed to.

(The amendments are printed in a previous edition of the RECORD.)

The amendments (Nos. 1378, as modified; 1403, as modified; 1404, as modified; 1418, as modified; 1443, as modified; 1465, as modified; 1474, as modified), en bloc, were agreed to, as follows:

AMENDMENT NO. 1378 AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks, and for other purposes)

On page 225, after line 24, add the following:

SEC. ___. EXCLUSION OF INVESTMENT SECURITIES INCOME FROM PASSIVE INCOME TEST FOR BANK S CORPORATIONS.

(a) IN GENERAL.—Section 1362(d)(3)(C) (defining passive investment income) is amended by adding at the end the following:

''(v) EXCEPTION FOR BANKS; ETC.—In the case of a bank (as defined in section 581), a

bank holding company (as defined in section 246A(c)(3)(B)(ii)), or a qualified subchapter S subsidiary bank, the term 'passive investment income' shall not include—

''(I) interest income earned by such bank, bank holding company, or qualified subchapter S subsidiary bank, or

''(II) dividends on assets required to be held by such bank, bank holding company, or qualified subchapter S subsidiary bank to conduct a banking business, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___. TREATMENT OF QUALIFYING DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 is amended by adding at the end the following:

''(f) TREATMENT OF QUALIFYING DIRECTOR SHARES.—

''(1) IN GENERAL.—For purposes of this subchapter—

''(A) qualifying director shares shall not be treated as a second class of stock, and

''(B) no person shall be treated as a shareholder of the corporation by reason of holding qualifying director shares.

''(2) QUALIFYING DIRECTOR SHARES DEFINED.—For purposes of this subsection, the term 'qualifying director shares' means any shares of stock in a bank (as defined in section 581) or in a bank holding company registered as such with the Federal Reserve System—

''(i) which are held by an individual solely by reason of status as a director of such bank or company or its controlled subsidiary; and

''(ii) which are subject to an agreement pursuant to which the holder is required to dispose of the shares of stock upon termination of the holder's status as a director at the same price as the individual acquired such shares of stock.

''(3) DISTRIBUTIONS.—A distribution (not in part or full payment in exchange for stock) made by the corporation with respect to qualifying director shares shall be includible as ordinary income of the holder and deductible to the corporation as an expense in computing taxable income under section 1363(b) in the year such distribution is received.''

(b) CONFORMING AMENDMENTS.—

(1) Section 1361(b)(1) is amended by inserting '', except as provided in subsection (f),'' before ''which does not''.

(2) Section 1366(a) is amended by adding at the end the following:

''(3) ALLOCATION WITH RESPECT TO QUALIFYING DIRECTOR SHARES.—The holders of qualifying director shares (as defined in section 1361(f)) shall not, with respect to such shares of stock, be allocated any of the items described in paragraph (1).''

(3) Section 1373(a) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and adding at the end the following:

''(3) no amount of an expense deductible under this subchapter by reason of section 1361(f)(3) shall be apportioned or allocated to such income.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

AMENDMENT NO. 1403, AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 with respect to the treatment of the transportation of person traveling to or from areas not connected to a road system)

At page 180, line 18 before the period insert the following new phrase:

"AND PASSENGERS PERMITTED TO UTILIZE OTHERWISE EMPTY SEATS ON AIRCRAFT".

At page 180, between lines 21 and 22 insert the following new subsections:

''(b) Subsection (h) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

''(4) SPECIAL RULE FOR PASSENGERS TRAVELING ON NONCOMMERCIAL AIRCRAFT.—Any use of non-commercial air transportation by an individual shall be treated as use by an employee if no regularly scheduled commercial flight is available that day from the air facility at the individual location.

''(c) Subsection (j) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits'' is amended by adding at the end thereof the following new paragraph:

''(9) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—For the purposes of subsection (b) the term ''no-additional-cost service'' includes the value of transportation provided by an employer to an employee on a noncommercially operated aircraft if—

''(A) such transportation is provided on a flight made in the ordinary course of the trade or business of the employer owning or leasing such aircraft for use in such trade or business,

''(B) the flight on which the transportation is provided by the employer would have been made whether or not such employee was transported on the flight, and

''(C) the employer incurs no substantial additional cost in providing such transportation to such employee.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation provided by the employer is not provided or made available to the general public by purchase of a ticket or other fare.

At page 180 line 22 strike ''(b)'' and insert in lieu thereof ''(d)''.

AMENDMENT NO. 1404 AS MODIFIED

(Purpose: To expand the adoption credit to provide assistance to adoptive parents of special needs children, and for other purposes)

At the end of title II, insert the following:

SEC. ___. EXPANSION OF ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

''(B) in the case of an adoption of a child with special needs, $7,500.''

(b) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(1) by striking ''($6,000, in the case of a child with special needs)'', and

(2) by striking ''subsection (a)'' and inserting ''subsection (a)(1)''.

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) is amended by adding at the end the following new flush sentence:

''In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''

(d) DEFINITION OF ELIGIBLE CHILD.—Section 23(d)(2) is amended to read as follows:

''(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

''(A) has not attained age 18, or

''(B) is physically or mentally incapable of caring for himself.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 1418 AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 with respect to the treatment of maple syrup production)

On line 3 of subsection (k) of section 3306 of the Internal Revenue Code of 1986 is amended by inserting after ''chapter'' the following: ''agricultural labor includes labor connected to the harvesting or production of maple sap into maple syrup or sugar, and''.

AMENDMENT NO. 1443 AS MODIFIED

(Purpose: To provide that trusts established for the benefit of individuals with disabilities shall be taxed at the same rates as individual taxpayers, and for other purposes)

On page 32, between lines 14 and 15, insert the following:

SEC. 207. MODIFICATION OF TAX RATES FOR TRUSTS FOR INDIVIDUALS WHO ARE DISABLED.

(a) IN GENERAL.—Section 1(e) (relating to tax imposed on estates and trusts) is amended to read as follows:

''(e) ESTATES AND TRUSTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there is hereby imposed on the taxable income of—

''(A) every estate, and

''(B) every trust,

taxable under this subsection a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $1,500	15% of taxable income.
Over $1,500 but not over $3,500.	$225, plus 28% of the excess over $1,500.
Over $3,500 but not over $5,500.	$785, plus 31% of the excess over $3,500.
Over $5,500 but not over $7,500.	$1,405, plus 36% of the excess over $5,500.
Over $7,500	$2,125, plus 39.6% of the excess over $7,500.

''(2) SPECIAL RULE FOR TRUSTS FOR DISABLED INDIVIDUALS.—

''(A) IN GENERAL.—There is hereby imposed on the taxable income of an eligible trust taxable under this subsection a tax determined in the same manner as under subsection (c).

''(B) ELIGIBLE TRUST.—For purposes of subparagraph (A), a trust shall be treated as an eligible trust for any taxable year if, at all times during such year during which the trust is in existence, the exclusive purpose of the trust is to provide reasonable amounts for the support and maintenance of 1 beneficiary who is permanently and totally disabled (within the meaning of section 22(e)(3)). A trust shall not fail to meet the requirements of this subparagraph merely because the corpus of the trust may revert to the grantor or a member of the grantor's family upon the death of the beneficiary.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

AMENDMENT NO. 1465 AS MODIFIED

(Purpose: To index the State-ceiling on the low-income housing credit, and for other purposes)

On page 288, strike line 5 and insert:

(c) ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of

section 42(h) (relating to housing credit dollar amount for agencies), as amended by subsection (b), is amended by adding at the end the following new subparagraph:

''(I) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a calendar year after 2005, the $1.75 amount in subparagraph (H) 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 such calendar year by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—Any increase under clause (i) which is not a multiple of 5 cents shall be rounded to the next lowest multiple of 5 cents.''.

(d) CONFORMING AMENDMENTS.—

On page 288, line 19, strike ''(d)'' and insert ''(e)''.

AMENDMENT NO. 1474 AS MODIFIED

(Purpose: To exclude certain severance payment amounts from income)

On page 371, between lines 16 and 17, insert the following:

SEC. ___. EXCLUSION FROM INCOME OF SEVERANCE PAYMENT AMOUNTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and by inserting after section 138 the following new section:

''SEC. 139. SEVERANCE PAYMENTS.

''(a) IN GENERAL.—In the case of an individual, gross income shall not include any qualified severance payment.

''(b) LIMITATION.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

''(c) QUALIFIED SEVERANCE PAYMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified severance payment' means any payment received by an individual if—

''(A) such payment was paid by such individual's employer on account of such individual's separation from employment,

''(B) such separation was in connection with a reduction in the work force of the employer, and

''(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

''(2) LIMITATION.—Such term shall not include any payment received by an individual if the aggregate payments received with respect to the separation from employment exceed $75,000.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Severance payments.

''Sec. 140. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2000, and before January 1, 2002.

AMENDMENT NO. 1378, AS MODIFIED

Mr. ALLARD. Mr. President, this amendment would expand the small business provisions of this tax bill. I am pleased that several of the provisions have been accepted. We are making solid progress on this issue.

This is a bipartisan amendment, cosponsored by Senators ROBB of Virginia and HAGEL of Nebraska.

I support tax relief for the American people, and I will support this tax bill. The surplus belongs to the American people, and I think a refund of one-third of the surplus is reasonable.

While I support the bill, I have been working to improve it before final passage.

In particular, we should expand the small business tax section of the code known as Subchapter S. Subchapter S of the Internal Revenue Code was enacted by Congress in 1958 and has been liberalized a number of times over the last two decades, significantly in 1982 and again in 1996.

This reflects a desire on the part of Congress to reduce taxes on small businesses. Subchapter S eliminates the double taxation of small business income.

Under Subchapter S the business is taxed at the shareholder level alone, it is not taxed at the corporate level. Subchapter S is available only to small businesses that have a small number of shareholders.

Congress made small banks eligible for S corporation status in the 1996 ''Small Business Job Protection Act.''

Since first becoming eligible, nearly 1,000 small banks have converted from regular corporations to small business corporations.

Unfortunately, many more would like to convert, but are prevented from doing so by a number of remaining obstacles in the tax law.

My amendment builds on and clarifies the Subchapter S provisions from 1996. It contains several provisions of particular benefit to community banks that may be contemplating a conversion to Subchapter S.

The amendment is based on S. 875, legislation that I introduced earlier this year with the cosponsorship of Senators GRAMM, BENNETT, SHELBY, ABRAHAM, HAGEL, ENZI, MACK, GRAMS, INHOFE, BROWNBACK, and THOMAS.

I have selected several provisions from the bill for this amendment and the Finance Committee has agreed to accept them. Let me review these provisions:

First, we exclude investment securities income from the passive income test for banks. Banks are unique, they are required to hold passive investments such as federal bonds and municipal bonds in order to comply with safety and soundness regulations.

This provision is only fair. If we require certain investments by regulation, we should not use this requirement to prohibit banks from becoming Subchapter S small businesses.

Second, we permit Subchapter S small business corporations to have bank director stock. Again, regulations require banks to have bank director stock.

We clarify that this does not punish banks. They can still become small business corporations.

In addition, I will be working with Chairman ROTH and his staff on several other provisions to consider for the future. These include one to permit Individual Retirement Accounts to be shareholders in an S corporation. This provision is a recognition of the importance of IRAs.

We have found that many community bank owners have their shares in an IRA. There is nothing wrong with this. We should let them be shareholders.

In addition, we hope in the future to permit S corporations to issue preferred stock. This would give all small businesses that are S corporations access to investment capital.

Let me conclude with a general statement on why we should enact these changes. Last year we enacted broad legislation to support credit unions. I supported this legislation.

We should now give small banks some tax relief. They are in a tough competitive position.

We are about to approve financial modernization in this Congress. I am a member of the Conference on this important legislation. I support the legislation.

But I think it is right to note that this legislation is of greatest appeal to larger financial institutions.

Again, our small community banks need help. They need tax relief to help them compete and survive. This amendment give the small banks tax relief.

This amendment is supported by the Independent Community Bankers of America, the American Bankers Association, the Independent Bankers of Colorado, the Colorado Bankers Association, the Independent Bankers Association of Texas, and others.

I am pleased that the Finance Committee has accepted the passive income and director stock provisions of the amendment.

In addition, Senator ROTH and his staff have agreed to work with us on the remaining provisions of the amendment and S. 875.

AMENDMENT NO. 1403

Mr. STEVENS. Mr. President, my amendment mirrors a bill I introduced on an earlier occasion-S. 1410.

This amendment would equate the tax treatment of persons flying what would otherwise be empty seats on private noncommercial aircraft with the treatment of airline employees flying on space available basis on regularly scheduled flights. Currently, use of these empty seats is deemed taxable personal income to the employee. I refer to it as the empty-seat tax. In contrast, under current law, airline employees, retirees and their parents and children can fly tax-free on scheduled commercial flights for nonbusiness reasons. Military personnel and their families can hop military flights for nonbusiness reasons without the imposition of tax. Current and former employees of airborne freight or cargo haulers, together with their parents and children, can fly tax-free for nonbusiness reasons on seats that would have otherwise been empty.

Employers who own or lease these aircraft are compelled by IRS regulations to consider 13 separate factors or

steps in determining the incidence and amount of tax to be imposed on their employees. My proposal seeks to deal with this inequity by treating all passengers the same way, but includes a provision which retains a reasonable standard of proof at audit to prevent abuse.

This amendment would not allow an executive to use a company jet to fly with his family and friends on vacation. My amendment would require proof to be shown that the flight was made in the ordinary course of business, the flight would have been made whether or not the person was transported on the flight, and no substantial additional cost was incurred in providing the transportation for the passenger.

In addition to the facilitation of employee travel, this provision is an especially important issue to large States with smaller populations because air travel comprises such a large part of our transportation systems. Instead of driving a car from city to city, many people from rural areas get on a plane to travel within their States. There are no roads from Barrow to Nome or Anchorage to Cold Bay. Additionally, in the event of illness, many people in rural States must take an empty seat on a company owned airplane and incur a tax penalty because they need medical treatment that can only be found in larger cities. My amendment includes a provision to allow passengers to be treated as employees if they live in remote areas that are not connected to a road system. For cases of medical emergency or other time sensitive situations, a passenger could as if they were an employee of the operator of the non-commercial aircraft without being taxes on the value of the seat.

This is a modest proposal with small revenue impacts. The joint Committee on Taxation estimates the revenue impact for this provision would be approximately five million dollars per year over the next ten year period. While this is a small amount against the backdrop of the overall tax cut measure we are considering, it is a large amount to the people who are forced to pay the tax simply because they do not work for or are not related to an employee of an airline, the military, a cargo freight company, or because they live in remote areas without road access. Flights are often, at best, biweekly to some rural villages in my State and during the long periods when no flights are scheduled, transportation out of these remote areas in emergency situations requires chartering an aircraft.

We should keep in mind that we are currently debating a tax refund bill that seeks to level the playing field for the American taxpayers. The tax refund bill would remove the marriage penalty that discriminate against married couples. It addresses inequities in pension plans that discriminate against certain workers. Yet, the Tax Refund Act does not address the tax discrimination against the users of empty seats who live or do business in rural areas.

It is my hope that we can address this basic issue of tax fairness and complexity by eliminating the empty seat tax.

AMENDMENT NO. 1460

Mr. STEVENS. Mr. President, the proposed Taxpayers Refund Act of 1999 includes a provision to create farm and ranch risk management (FARRM) accounts to help farmers and ranchers through down times. The estimated cost for this provision is $887 million over the next ten years. The FARRM accounts would be used to let farmers and ranchers set aside up to 20 percent of their income on a tax deferred basis. The money could be held for up to five years, then it would have to be withdrawn from the individual's account. Once the money is withdrawn from the account, the farmers and ranchers would pay tax on the amount that was originally deferred. Any interest earned on the money in the account would be taxed in the year that it was earned.

This approach to encouraging farmers and ranchers to set some money aside for downturns in the market makes sense. However, this provision should be expanded to include fishermen—I have an amendment that would do just that. The Joint Committee on Taxation estimates allowing fishermen to set aside 20 percent of their income into these tax deferred accounts would cost only an additional $18 million over 10 years.

Fishermen are the farmers of the sea. They face the same type of economic problems that farmers and ranchers face and they shouldn't be excluded from establishing their own tax deferred accounts. In previous years we have had to bail out fishing areas that have been hit hard by fishery failures. A recent fishery failure in Alaska, and the impact of that failure on families and communities, is still being felt today. We were forced to allocate $50 million to bail out those fishermen and the local communities. This amendment, at a cost of $18 million over ten years, is a far-sighted way to let fishermen play a part in a disaster recovery and preserve the proud self-reliance that marks their industry.

Fishermen should receive the same benefits as farmers and ranchers under the Tax Code. They share seasonal cyclical harvest levels and should not be left behind in the Tax Code. While this amendment is one step toward equal treatment, it is an important part of ensuring the long-term sustainability of our fishing industry. I thank my colleagues who have joined me on this amendment, Senators MURKOWSKI, INOUYE, SHELBY, BREAUX, HOLLINGS, GORTON, and MURRAY.

AMENDMENT NO. 1488

Mr. STEVENS. Mr. President, the proposed Taxpayer Refund Act of 1999 contains a provision to coordinate a farmer's income averaging with the alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging.

Under section 604 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax had averaging not been elected. I have offered an amendment that would extend the income averaging to fishermen and would coordinate the tax treatment with the AMT, just as the bill attempts to do for farmers.

Fishermen should receive the same treatment as farmers. The Joint Committee on Taxation estimates the measure for farmers would cost $22 million over the next ten years. According to the Joint Committee on Taxation, my amendment for fishermen would cost $5 million over the next ten years. This is a small amount to ensure that fishermen receive the same benefits as farmers under our current tax structure.

Fishermen face the same type of economic ups and downs that farmers and ranchers face. Because of this, they shouldn't be excluded from income averaging or coordination with the AMT. I thank my colleagues who have joined me on this amendment, Senators MURKOWSKI, INOUYE, SHELBY, BREAUX, HOLLINGS, GORTON, and MURRAY.

AMENDMENT NO. 1485, AS MODIFIED

Mr. BENNETT. Mr. President, I ask unanimous consent that amendment No. 1485, which was previously adopted, be modified with the changes that are at the desk.

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

The amendment (No. 1485), as modified, is as follows:

On page 286, line 6, strike ''1999'' and insert ''2004''.

On page 371, between lines 16 and 17, insert the following:

SEC. ___. TREATMENT OF BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.

(a) IN GENERAL.—Section 145 (defining qualified 501(c)(3) bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.—

''(1) IN GENERAL.—If—

''(A) the proceeds of any bond are used to acquire land (or a long-term lease thereof) together with any renewable resource associated with the land (including standing timber, agricultural crops, or water rights) from an unaffiliated person,

''(B) the land is subject to a conservation restriction—

''(i) which is granted in perpetuity to an unaffiliated person that is—

''(I) a 501(c)(3) organization, or

''(II) a Federal, State, or local government conservation organization,

''(ii) which meets the requirements of clauses (ii) and (iii)(II) of section 170(h)(4)(A),

''(iii) which exceeds the requirements of relevant environmental and land use statutes and regulations, and

''(iv) which obligates the owner of the land to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction,

''(C) a management plan which meets the requirements of the statutes and regulations referred to in subparagraph (B)(iii) is developed for the conservation of the renewable resources, and

''(D) such bond would be a qualified 501(c)(3) bond (after the application of paragraph (2)) but for the failure to use revenues derived by the 501(c)(3) organization from the sale, lease, or other use of such resource as otherwise required by this part,

such bond shall not fail to be a qualified 501(c)(3) bond by reason of the failure to so use such revenues if the revenues which are not used as otherwise required by this part are used in a manner consistent with the stated charitable purposes of the 501(c)(3) organization.

''(2) TREATMENT OF TIMBER, ETC.—

''(A) IN GENERAL.—For purposes of subsection (a), the cost of any renewable resource acquired with proceeds of any bond described in paragraph (1) shall be treated as a cost of acquiring the land associated with the renewable resource and such land shall not be treated as used for a private business use because of the sale or leasing of the renewable resource to, or other use of the renewable resource by, an unaffiliated person to the extent that such sale, leasing, or other use does not constitute an unrelated trade or business, determined by applying section 513(a).

''(B) APPLICATION OF BOND MATURITY LIMITATION.—For purposes of section 147(b), the cost of any land or renewable resource acquired with proceeds of any bond described in paragraph (1) shall have an economic life commensurate with the economic and ecological feasibility of the financing of such land or renewable resource.

''(C) UNAFFILIATED PERSON.—For purposes of this subsection, the term 'unaffiliated person' means any person who controls not more than 20 percent of the governing body of another person.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.

SEC. . MODIFICATION OF ALTERNATIVE MINIMUM TAX FOR INDIVIDUALS.

Section 56(b)(1)(e), as amended by section 206, is amended by striking ''$250'' and inserting ''$300''.

TAX RELIEF

Mr. ABRAHAM. Mr. President, my motion to recommit is the substitute tax plan submitted by Majority Leader LOTT in the Finance Committee. I will not request a vote on this motion.

I commend the efforts of Chairman ROTH in putting together the Taxpayer Refund Act. However, it is my belief that Congress right now has a unique opportunity to enact broad-based tax cuts, providing more pro-growth and pro-family relief than is currently provided in the Finance Committee bill.

This substitute combines the elements I believe are essential to preserving economic security for years to come: It preserves Social Security and Medicare; It reduces the near-record tax burden currently placed on the American people; and It empowers America's growing investor class—working, middle class families who strive to save for the future so that they may enjoy secure retirements and so that they can bequeath a legacy to their children.

All this, Mr. President, without greatly increasing the complexity of the tax code.

Over the next 10 years the federal government will accumulate surpluses of about $3 trillion. Now that the age of surpluses has arrived, we must decide what to do with them, how we can best use them to insure economic growth and security into the next millennium.

Thus, of the $3 trillion in coming surpluses, the $1.8 trillion for the Social Security Trust Funds must be protected; it must stay in Social Security. The question is, what should we do with the remaining $1 trillion?

I believe that we should give at least $800 billion back to the American people. Whatever plan we adopt, it seems to me we must ensure that Social Security remains strong so that the senior citizens of today and tomorrow may depend on it for security in their old age. We also must approach our national debt in a responsible way seeing to it that it never again becomes a drain on our economy. And, also for the sake of our economy, we must see to it that investments in plant, equipment and human capital increase over the coming decades. Finally, we must address a worsening problem in American life: the overtaxation of the American people.

The President's plan addresses none of these needs. It does nothing to save Social Security, instead merely commencing a vast shell game with taxpayer money. What is more, the President proposes massive new spending, and even $95 billion in new taxes.

The bottom line is this, Mr. President Clinton wants to spend the surplus. According to the CBO, the President proposes $1 trillion in new spending over the next 10 years. That would mean taking $29 billion out of the Social Security Trust Fund surplus.

Now I know some of my colleagues on the other side of the aisle have been quoting from Federal Reserve Chairman Greenspan's recent Congressional testimony. In that testimony, Chairman Greenspan said ''My first priority, if I were given such a priority, is to let the surpluses run.''

Some of my colleagues have been claiming that, in these words, Chairman Greenspan has rejected tax relief for the American people. But this is simply not so, Mr. President. Any reasonable examination of the record would show Chairman Greenspan's true views on the matter, namely that he would delay tax cuts ''unless, as I've indicated many times, it appears that the surplus is going to become a lightening rod for major increases in outlays. That's the worst of all possible worlds, from a fiscal policy point of view, and that, under all conditions, should be avoided.''

Chairman Greenspan was not saying ''I oppose tax cuts.'' Rather, he was saying, quite reasonably in my view, that tax cuts must not come at the expense of fiscal and monetary stability.

I agree with Chairman Greenspan that tax cuts cannot be our first priority. Our first priority must be to protect Social Security and address the national debt. Which is exactly what this substitute does by setting aside more than half our projected surpluses for those purposes.

At the same time, we cannot allow these surpluses to become ''lightning rods'' for yet more increases in the size and scope of government, and in the tax burden on the American people. And that is precisely what the President's plan would do; it would spend the surplus, including the Social Security surplus, on further government programs, leaving nothing for the American people.

That is simply wrong. And I was pleased to learn that Chairman Greenspan agrees. In his testimony he said ''I have great sympathy for those who wish to cut taxes now to pre-empt that [spending] process, and indeed, if it turns out that they are right, then I would say moving on the tax front makes a good deal of sense to me.''

It makes a great deal of sense, Mr. President, for us to set aside the bulk of the surplus for Social Security and debt relief, then to return the rest to the American people. It makes a great deal of sense for us, after reserving over $2 trillion for these essential functions to return $800 billion to the American people, as a refund of their tax overpayment.

I believe we are doing the right thing by giving 25 cents back to the American people for every surplus dollar. I believe the plan crafted by those on the other side of the aisle is wrong to give back only 10 cents on each surplus dollar.

Let me briefly outline the provisions of this substitute, crafted as I said by majority Leader LOTT. It includes:

Broad-based rate cuts, expanding the 15% tax bracket upwards by $10,000.

Family tax relief, including an end to the marriage penalty and provisions for child care and foster care.

An end to the estate or death tax.

Incentives for savings and investments, including exclusions for interest and dividend income and a cut in individual capital gains rates to 15% and 7.5%.

Retirement savings incentives through an increase in the IRA contribution limit to $5,000 per year.

Education incentives, including education savings accounts, student loan interest deductions and prepaid tuition plans for public and private schools.

Provisions making health care more affordable, including a new deduction for health insurance expenses, long-term care provisions, Medical Savings Accounts, and an additional caretaker dependency deduction.

Small business tax relief, including immediate 100% deductibility of health insurance for the self-employed and in increase in small business expensing to $30,000.

Risk management accounts for farmers and ranchers.

Permanent extension of the Research and Development tax credit, and

An extension of the work opportunity credit and welfare to work credit.

I would like to focus on the provisions in this substitute that I believe differentiate it from the Finance Committee legislation; provisions that in my view provide even more pro-family and pro-growth tax relief where it is most needed.

First is family tax relief. Families today pay a higher proportion of their incomes in taxes than ever before in our history—31.7 percent. They pay more in income taxes than at any time since World War II. They spend more on taxes than on food, clothing and shelter combined. And this tax burden leaves families with less money to spend on necessities, and less to save for their retirement and for their children's education.

Families deserve tax relief, particularly at a time when they are overpaying to the tune of over a trillion dollars.

This substitute will give families the substantive tax break they need and deserve.

First, it includes broad-based tax relief by increasing the amount of income a family can earn while remaining in the 15% income tax bracket by $10,000. The figure for single taxpayers will increase by $5,000. In this way, Mr. President, we will return 7 million taxpayers to the lower, 15% tax bracket, and 35 million taxpayers will receive a tax cut.

Under this proposal, even a single filer would save $550 on his or her taxes.

In addition, this substitute ends the marriage penalty and provides relief for child and foster care services.

Taken together, these provisions will directly reduce the tax rate imposed on American families and increase incentives for work and economic growth.

Second, this substitute will provide tax relief to literally millions of working Americans struggling to build a nest egg for the future. By cutting taxes on interest, dividends and capital gains.

This latest era of economic growth has been unique, Mr. President, in that it has seen savings rates fall into negative numbers—indicating an increase in consumer borrowing in excess of savings. We cannot sustain economic growth and job creation unless Americans save and invest for the future.

That is why this substitute will address the needs of America's growing ''investor class.'' These working Americans—125 million and counting—are the real owners of the means of production in America.

Surveys conducted by a number of sources agree that, through pension plans, IRAs and other investment vehicles, roughly 50% of Americans—half our nation—owns stocks. They outnumber any of the special interest groups you would care to name. Yet they want no special favors, just the opportunity to save and invest. And, with $4.5 trillion invested in mutual funds alone, America's investor class has become the bedrock of our economy.

It is time to put to rest once and for all the old class warfare slogan that only the rich pay capital gains taxes. Is half of America ''rich?'' Do half our people earn so much money that they do not deserve a tax relief?

I think not. Indeed, 49% of the investor class if female, 38% are non-professional salaried workers. Wall Street and Main Street are no longer separated by a vast socioeconomic divide. It is high time we recognized this fact, and helped new, middle class investors succeed in their drive to invest for the future.

This substitute would do precisely that, Mr. President. It would make the first $500 of interest and/or dividend income tax-free for families, with the first $250 of this income becoming tax-free for individuals. It also would increase the IRA contribution limit to $5,000 per year, allowing Americans to more effectively save for retirement. Finally, it would cut capital gains tax rates, reducing the current 20 and 10% tax brackets to 15 and 7.5%, respectively.

Of course, not all of nation's economic growth comes from stock investment. Many entrepreneurs in this country invest their blood, tears, toil and sweat into family owned businesses—businesses that keep our main streets vital and our economy growing.

Our nation was built on the strength of family-owned businesses. Whether on the frontier or in more settled urban areas, family businesses have delivered the goods for generations. Yet the federal government sets up almost insurmountable obstacles to family businesses.

The death tax makes it impossible for many entrepreneurs to pass the business on to their children. Too often today, children must sell the family business just to pay taxes. And the result is often a sell-off of assets to large corporations, destroying jobs and investment opportunities.

I realize that some people favor the death tax as a means of punishing people who have amassed great quantities of wealth. But the IRS' own records show that fully 80% of all taxable estates are worth less than $1 million.

$1 million still sounds like a lot of money, Mr. President. But consider this: according to the Associated General Contractors of America, any contractor who purchases the three pieces of equipment essential to this trade, an off-highway dump truck, bulldozer and front-end loader, will have already amassed assets valued at over $1 million.

And relatively new businesses, such as those begun by black Americans until recent years deprived of the chance to compete, are especially vulnerable to the death tax. A Kennesaw State College survey found that close to a third of African American-owned businesses would have to be sold by their inheriting heirs to pay taxes. The death tax destroys family businesses. It destroys wealth, and it destroys jobs. It is time to end it.

But entrepreneurs need more help from us. Current tax laws, by subsidizing employer-purchased health plans, penalize small business owners. They make it more difficult for them to afford their own health insurance and to attract and keep good employees without spending themselves into bankruptcy.

The substitute framed by Leader Lott would address these barriers to family-owned business survival by accelerating the 100% deductibility of self-employed health insurance.

The provisions I have outlined aim to bring substantive tax relief to the mainstream of the American economy. This is crucial to the economic well-being of our nation.

But we must do more. We also must bring greater economic opportunity to disadvantaged urban and rural areas throughout the United States. If we are to remain prosperous over the long term, we must bring more Americans into the vast mainstream of our economy by empowering them to take control of their own economic lives. That is why this substitute extends the critical work opportunity credit and welfare-to-work credits through 2004.

Finally, we must continue to encourage the research and development so crucial to maintaining our competitive edge in global markets, particularly in this era of high-tech development. That is why this substitute provides for the permanent extension of the R&D tax credit.

All told, the provisions making up this substitute will provide $800 billion in tax relief for the American people. This substitute will encourage work, savings and investment, it will help working families, it will help distressed urban and rural areas, and it will provide $2.2 trillion for Social Security, Medicare, and debt reduction.

It is my hope that the conference committee on the tax bill will produce an agreement that mirrors the Leader's substitute tax plan.

I believe we must look to this era of budget surpluses with confidence. Confidence in ourselves and confidence in the American people. This is no time for business as usual. Rather, we are faced with once-in-a-lifetime opportunity to free Americans from the burden of stifling overtaxation, freeing their energies and their intellects even as we provide a solid grounding of Social Security and Medicare for generations to come.

There are voices of doom abroad in the land, Mr President. But these voices are as wrong today as they have always been. They would have us put all of our faith and confidence in an ever-growing federal government, with its ever-growing financial resources diverted by its bureaucratic experts into

programs designed to protect us from ourselves.

I say no to these doomsayers. I say ''no'' to them because I believe it is important for us to say ''yes' to the American people. Yes to their dreams of financial security, yes to their desire to pass the family business on to their children, yes to their cries for help relieving the highest tax burden since World War II.

It is time to provide the kind of broad-based tax relief in this substitute so that the American economy and the American spirit may grow and prosper. This act of hope will protect our seniors, pay down our debt and constitute an investment in our future that will pay dividends for decades to come.

Mr. REED. Mr. President, I am proud to join Senator ROCKEFELLER in proposing a prudent, fiscally responsible tax cut alternative.

Like many, we are skeptical with the underlying assumption that there will be nearly a trillion dollar surplus. Indeed, the numbers show that much of the surplus is generated under the assumption that Congress will significantly slash investments in education, veterans, and defense below the level needed to keep pace with inflation. Such cuts in key investments are not what the American people want. Moreover, the current majority has already exceeded last year's spending limit by $35 billion in the first 10 months of this fiscal year.

The real surplus from our current economic growth is closer to $112 billion when one eliminates the unrealistic, rosy scenarios painted by the Republican's $800 billion tax bill.

Mr. President, our great economic growth has presented us with an opportunity to do many things. Sensible, modest, and targeted tax cuts for working families is part of that mix along with domestic investments and Medicare reform.

In that spirit of balancing priorities, I supported the proposal of Sen. MOYNIHAN to provide $290 billion in targeted tax relief, while extending the life of Medicare and preserving funding for our most pressing domestic needs. That proposal was realistic and based on sound footings.

But, we should not enact an $800 billion tax cut based on mere projections; which slashes domestic investments; and which does nothing to preserve Medicare.

Our $112 billion tax cut proposal is tied to a realistic review of the actual unencumbered surplus. This is the judgement of many outside experts including former Congressional Budget Office Director Robert Reischauer. Using this figure we can still provide marriage penalty relief, education tax credits, preserve Medicare, and meet the expectations of America's families. That is why Senators ROCKEFELLER, LEAHY, and I have put forth this proposal.

Mr. President, my hope is that our colleagues on the side of the aisle will take a moment to review the real surplus numbers and join us in our effort.

Mr. EDWARDS. Mr. President, I rise today to oppose S. 1429. Passing this bill is like going on a spending spree just because a sweepstakes company tells you ''you might be a winner.''

I support tax cuts. The question for me is, when? I am a fiscal conservative and am happy to vote for tax cuts. Any tax cut, however, needs to be done in a fiscally-responsible manner. This is common sense.

But we need to look at the big picture, and we can't engage in wishful thinking. So when we talk about cutting taxes we must do it in the same breath as paying down the national debt and dealing with Social Security and Medicare.

We should cut government spending. Working Americans pay taxes to the federal government, and that money buys a lot of great things. But we have a responsibility and obligation to only spend what is absolutely necessary, and I am afraid that we haven't done a very good job of that. The federal government is too big and spends too much, and we need to do something about it.

We should pay down the public debt. If we reduce our public debt, we reduce the money the federal government owes to foreign investors and other bondholders. If we reduce our public debt—a debt that has accumulated because of out-of-control government spending in years past—it will lower interest rates, increase investment in America's economy, and help ensure our economy's continued growth and success. That has real benefits for average Americans: lower mortgage interest rates and a booming economy.

This isn't inside-the-Beltway stuff. This is important to North Carolinians and all other Americans. And I think all of them can relate to why it is unwise to cut taxes before we are certain there is a surplus and before we are on the road to securing the future of Social Security and Medicare.

Look into your crystal ball. How much will you be earning in the year 2008? Will your 10-year-old be going to Duke or UNC, and what will be the tuition? What are you going to pay for health insurance during the next 10 years? And how much can you put away for retirement?

I think these questions are important to North Carolinians and all other Americans. I have been thinking about how a family might try to answer these questions, and two things come to mind.

First, answers are extremely difficult to find with any degree of certainty. Unforseen expenses can arise. And other factors—career changes, interest rates, or family size—may also affect the answers. It seems to me very likely, given this uncertainty, that a family would be very cautious about their financial planning.

Second, if that family had to make a decision now about which one of those items they would forego if they needed extra money to cover unforseen expenses, which one would it be?

If making these projections for a family is difficult, what can be said about the difficulty of predicting the federal government's budget 10 years?

I'll tell you what I think about it. I think it is extremely difficult. And I am not alone.

I had an exchange the day before yesterday with Federal Reserve Board Chairman Alan Greenspan during a hearing. I talked to him about his earlier comments about the surplus, the proposed tax cuts and about the problems the federal government has showing restraint.

Mr. Greenspan noted that these projections are rarely accurate.

His advice, then, is very simple and practical: wait. ''Several years,'' he said. ''In other words, one year, two years.'' Chairman Greenspan said he favors paying down the public debt—not using any surplus for increasing government spending.

It is hard to wait. This has been a real struggle. I break with the President, with my party and with the Republican party. But I do so because first and foremost we should not imperil our unprecedented economic prosperity by moving too quickly. To put it simply: look before you leap. A huge tax cut today is like entering the biggest watermelon contest the day after an especially good-looking vine sprouts up.

I, myself, just don't have that much confidence that we have a surplus at all or that the economic assumptions underlying the surplus projections are reliable. It feels like smoke and mirrors—hocus pocus. And when people waive around numbers like $1 trillion, it's hard not to get swept away.

But if we step back and take a look at the facts, we get a more frightening picture. If government spending is 1 percent higher than projected and revenues are 1 percent lower than projected, then the so-called $1 trillion surplus would be off by $170 billion annually.

When it comes to government spending, the truth is Congress has not been able to live within its budgets. Federal spending should be cut, but let's not be naive: Congress has bad spending habits.

Current projections are based on assumptions about our spending habits that everyone admits have been impossible to live with. This is a fact. I want to remind everyone that this body passed a $12 billion ''emergency'' spending package—raiding the Social Security Trust Fund—earlier this year. I voted against that package because nearly half of it was spending that no honest person would consider an ''emergency.'' We've also been pouring money into defense spending—something I support—but it's not within the budget we tried to set for the government. We can't stick to our limits now, and yet we are talking about a tax cut

based on the assumption that we are going to spend less. This just doesn't make sense to me.

Having noted that we never stay within the spending caps, let me say that we should not give up on them. They are important. And, despite our history of breaking them, they have acted to keep our spending lower than it would have been otherwise. This is important because we need to make sure that the federal government doesn't just spend money because taxpayers send it to us. We need to constantly look for ways to cut unnecessary spending and pressure the federal government to operate more efficiently.

Even as we propose to dramatically cut taxes based on the fantasy that we will control spending and enjoy unprecedented economic prosperity, we are hiding our head in the sand about a very real and very near fiscal catastrophe. In 2012, we will need to pay more for Medicare than we have. We'll need to dip into a Medicare trust fund. But there is no Medicare trust fund. In 2014, Social Security benefits paid out will exceed receipts, and we will have to start dipping into the trust fund. This tax cut puts the cart before the horse. Cut taxes and then try to figure out how to deal with a looming crisis? No one could call that fiscally responsible.

What if there's a real emergency? This bill leaves me worried. Suppose a Class 5 hurricane were to strike North Carolina sometime in the next few years. If we needed emergency relief, this proposal could leave us high and dry—or taking a dip into Social Security.

North Carolinians might be excused for thinking that the current tax debate sounds like hocus pocus. And they might be excused for wondering whether people are making promises they can't keep. This government has made a great many promises:

Putting more money in your pocket;

Saving Social Security;

Reserving money for Medicare;

Improving Veterans' health care;

Funding for the National Institute of Health;

Putting 100,000 cops on the street;

Aiding America's farmers;

Funding for programs like Head Start;

Maintaining interstate highways; and

Supporting National Missile Defense and other spending to ensure a strong national defense.

I don't think we can keep all of these promises. And I can't bring myself to bait the American public with a tax cut only to be forced to cut their legs off on Social Security, Medicare and debt reduction or raise taxes again.

If not now, when?

I heard this question asked earlier today about tax cuts. My answer is the same as the one Chairman Greenspan gave at the hearing yesterday—he said wait a few years.

After a few years we may know a few things.

First, are we keeping spending reasonably under control?

Second, have we saved Social Security and reformed Medicare?

Third, how's the economy doing?

Fourth, have we paid down some of our national debt?

Our first real test will come this fall—when we will again start the process that will lead to meeting—or breaking—the spending caps. The federal government needs to prove to the American public that it can operate under its own budgetary limits. If we can do this, if we can break the habit of busting the budget caps, we will then be able to tell if we do in fact have a surplus.

I want the American people to know this: I am for cutting taxes paid by working Americans. We've got an amazingly successful economy right now. I want to make sure when I cast my vote that I'm voting for something that will ensure, not destroy, the continued growth of our economy. Right now, the projections are too speculative, the assumptions too unrealistic, and to me, the solution is obvious. We should not spend money until we know we have it—and when we do have it, we need to give it back to working Americans.

Mr. ALLARD. Mr. President, I would like to make some comments regarding repeal of the ''temporary'' 0.2 percent Federal unemployment tax (FUTA) surtax.

Earlier this year I introduced S. 103 to repeal the surtax.

I commend Chairman ROTH and my colleagues on the Finance Committee for including in their tax bill repeal of the temporary 0.2 percent FUTA surtax.

I would, however, like to accelerate the effective date from 2004 to next year.

I believe that this tax relief provision is very important for both businesses and employees. We should repeal the surtax immediately.

The ''temporary'' surtax was enacted in 1976 by Congress to repay the general fund of the Treasury for funds borrowed by the unemployment trust fund.

Although the borrowings were repaid in 1987, Congress has continued to extend the surtax in tax bill after tax bill.

Since 1987, Congress has used extension of the surtax to help raise revenue to pay for tax packages.

In fact, the surtax was most recently extended to help pay for the 1997 tax bill.

The tax takes money out of the private economy for no valid reason.

By repealing the surtax, Congress will honor a promise that it made when the surtax was first enacted.

Small businesses were told repeatedly that the tax was temporary and would be repealed when it was no longer needed to finance the unemployment tax system.

Clearly a tax is not temporary when it has already been in place for over twenty years.

Based on the original purpose, the surtax is no longer needed.

The economy is experiencing the highest level of employment in decades, and all state unemployment funds have surpluses.

It is inappropriate for the government to continue to raise excess unemployment taxes and then use the surplus for purposes completely unrelated to unemployment.

Repeal of the temporary unemployment surtax will also be beneficial to small businesses.

The surtax is especially hard on the small businesses because they are often labor intensive.

Any payroll tax is added directly to the employer's payroll costs.

In fact, according to the National Federation of Independent Business, payroll taxes are the fastest growing federal tax burden on small business.

It is also important to note that the payroll taxes must be paid whether the business experiences a profit or a loss.

As a former small businessman myself, I am particularly aware of this fact.

I suspect that my view is similar to the view of many other small business owners.

It is one thing to have a surtax when unemployment is high and the surtax is necessary.

However, it is totally unjustified when unemployment is at the lowest level in three decades.

Repeal of the 0.2 percent surtax will reduce the tax burden on employers and workers by $6 billion over the next five years.

Lower payroll taxes mean higher wages for workers.

Although the employer appears to fully pay the unemployment surtax and other payroll taxes, the economic evidence is strong that the cost is actually passed along to workers in the form of lower wages.

Consistent tax relief will help to ensure that our economy remains the strongest and most vibrant in the world.

Low taxes reduce unemployment and help ensure that future surtaxes are unnecessary.

The time has come to do away with this outdated and unnecessary surtax.

Again, I commend the Finance Committee for their provision to repeal the FUTA surtax, and I urge my colleagues to support efforts to accelerate the effective date so that repeal is immediate.

Mr. REED. Mr. President, we are at a historic juncture. In the 1980's, we faced massive deficits and growing debts. In sum, Congress debated red ink.

On the edge of the millennium, we are debating the question of what to do with about $1 trillion in anticipated budget surpluses.

Why are we here debating a surplus? We are here because of the tough

choice we made in the past: a choice to use fiscal discipline. We started down the road of deficit reduction with the 1993 budget package, which passed without a single Republican vote. In fact, some members on the other side of the aisle claimed the bill would lead to economic collapse. However, because of the courageous stand we took then, we have gone from a $290 billion deficit in 1992 to an estimated $70 billion surplus in 1999.

But we did more than reduce the deficit and restore fiscal discipline, we spurred tremendous economic growth and unprecedented economic expansion. For the sake of perspective, I would like to list the following facts: we have seen 3.5% annual growth since 1993, 18.9 million new jobs, 4.3% unemployment, and the median family income grow by more than $3,500 since 1993. This is good news, and we cannot afford to squander it.

The days of red ink as far as the eye can see are gone. Instead, based on various budget projections, we can suppose that there will be a total surplus of approximately $3 trillion over the next ten years. More than $2 billion of that total comes from Social Security payroll taxes and must absolutely be set aside to preserve Social Security for current and future beneficiaries. Social Security is a promise to those Americans who worked and fought to make this nation great, and it is a program that must be preserved.

The Office of Management and Budget and the Congressional Budget Office both project that the remaining non-Social Security surplus totals roughly $965 billion. But these are merely projections, dependent upon the performance and vagaries of the economy. And, I would caution that the Office and Management and Budget and the Congressional Budget Office have a history of predictions that fall far short of the mark. Indeed, Mr. President, because of changes in the economy between April and July of 1999, the Congressional Budget Office revised its ten year projections, adding $300 billion to the surplus. Imagine—a swing of $300 billion in three months.

But how are we generating the surplus, or more accurately, why is the Congressional Budget Office predicting a budget surplus?

Quite simply, the vast bulk of the non-Social Security surplus, nearly $600 billion of it, comes from the continuation of arbitrary spending caps established in the 1997 Balanced Budget Act. When we passed that legislation, we still had a deficit, but many of us realized then that if these budget caps were maintained beyond the period they were required to balance the budget, they would prevent us from meeting our long-term obligations for education, health care, and the environment.

The American people cannot afford, as my colleagues on the other side of the aisle have asked of them, to retain these caps for the next 10 years. We cannot afford $600 billion in cuts to Pell Grants, Head Start, the Special Supplemental Nutrition Program for Women Infants and Children, Brownfield cleanup, Community Policing, Veterans benefits, and the National Institutes of Health, to name a few essential initiatives. Let me emphasize that the $600 billion figure is not for new, outlandish investments. Rather, that figure represents the resources we need to maintain current levels of funding. Make no mistake, these are cuts, not ''reductions in the rate of growth'', but real cuts.

Moreover, if we adopt the Republican $800 billion tax cut plan and if we fund the President's plan to meet the military's personnel and equipment needs, as the Republican leadership has said it will do, non-defense domestic spending will be cut by a whopping 38% in 2009. Under this scenario, 375,000 children will not get Head Start services, 1.4 million veterans will lose medical care, and 6.5 million poor students will lose Title I education aid. Simply put, the $800 billion tax cut before us today crowds out every priority we know must be met in the future.

Mr. President, the most serious shortfall of the Republican tax bill is that it disposes of the entire surplus without making any provisions to shore up Medicare. By using all of the projected surplus for tax cuts, we leave ourselves severely restricted in the options we will have in the future.

Actuarial reports from the Medicare Trustees project that, under current economic conditions, we will have to contend with the inevitable fact that the Medicare program will be insolvent by 2015. Regrettably, by allocating the entire federal budget surplus for tax cuts, we will be forced to make radical changes to the program, either in the form of dramatic benefit reductions, large increases in premiums, or tax increases.

In addition, the Republican tax cut plan completely ignores the impending burdens of a retiring baby boom generation. The truth is that by 2030, there will be about 70 million Americans 65 years or older, more than twice their number in 1996. In terms of the total population, seniors will grow from 13% to 20% between 1999 and 2030.

In spite of these imminent demographic challenges, the Republican tax cut bill is structured in a way that tax breaks would explode during their second ten years. As the baby boom generation retirements occur, the cost of the tax cuts would explode to $2 trillion.

Prudence dictates that we should take the opportunity the surplus presents to make meaningful changes to the Medicare program. I believe that we should be looking at the possibility of adding a prescription drug benefit as well as additional preventive benefits to the basic package of health care benefits. For elderly Rhode Islanders the cost of prescription drugs is a major concern and a major expense. Unfortunately, Medicare does not cover this expense nor does the COLA for Social Security accurately represent the medical expenditures of today's seniors.

While consideration of these matters should be made in the context of overall structural reform, we must ensure that there are adequate resources to guarantee a basic benefit package upon which Medicare beneficiaries continue to rely.

Sadly, the Republican tax bill saps these resources before the debate can even begin. The massive size of the Republican tax plan threatens to unravel the many years of fiscal austerity that have brought us to this important juncture. Their unrealistic and dangerous proposal sacrifices the future for short-term gratification.

Mr. President, these are good times in our nation. More Americans are employed. More Americans own a home. Crime is down. Productivity is up, and inflation is low.

Working families in Rhode Island expect us to be responsible and prepare for the future. They want us to preserve Medicare, but the Republicans say ''no''. They want us to invest in education, but the Republicans say ''no''. They want us to care for our veterans, but the Republicans say ''no''. They want us to address the shameful fact that 1 out of every 5 children in America lives in poverty, but the Republicans say ''no''.

Mr. President, saying ''no'' to the needs of the American people is not an acceptable legacy for this Congress. On the edge of the Millennium, we should not put politics ahead of what is fair and responsible. Let's build for the future.

Ms. COLLINS. Mr. President, yesterday I offered an amendment to the Taxpayer Refund Act of 1999. My good friend Senator COVERDELL and I crafted this amendment to help our public school teachers pursue professional development and pay for incidental supplies for their classrooms.

Our amendment will allow teachers to deduct their professional development expenses without subjecting the deduction to the existing two percent floor. It will also allow teachers to deduct up to $125 for books, supplies, and equipment related to their teaching.

Mr. President, while our amendment provides financial relief for teachers, its ultimate beneficiaries will be their students. Other than involved parents, a well-qualified teacher is the most important prerequisite for student success. Educational researchers have demonstrated the close relationship between qualified teachers and successful students. Moreover, teachers themselves understand how important professional development is to maintaining and extending their levels of competence. When I meet with teachers from Maine, they repeatedly tell me of their need for more professional development and the scarcity of financial support for this worthy pursuit.

The willingness of Maine's teachers to fund their own professional development activities has impressed me deeply. For example, an English teacher who serves on my Educational Policy Advisory Committee told me of spending her own money to attend a curriculum conference. She is typical of many teachers who generously reach into their own pockets to pay for professional development and to purchase materials that enhance their teaching.

Let me explain how our amendment works in terms of real dollars. The average yearly salary of a teacher in 1997 was about $38,500. Under current law, a teacher making this salary could not deduct the first $770 in professional development and incidental instruction-related expenses that he or she paid for out of pocket. Our amendment would see to it that teachers receive tax relief for all such expenses.

I greatly admire the many teachers who have voluntarily financed the additional education that they need to improve their skills and to serve their students better and who purchase books, supplies, equipment and other materials that enhance their teaching. I hope that this change in our tax code will encourage teachers to continue to take formal course work in the subject matter that they teach, to complete graduate degrees in either their subject matter or in education, and to attend conferences to give them new ideas for presenting course work in a challenging manner. This amendment will reimburse teachers for a small part of what they invest in our children's future.

Mr. President, this would be money well spent. Investing in education is the surest way for us to build one of the most important assets for our country's future, a well-educated population. We need to ensure that our public schools have the best teachers possible in order to bring out the best in our students. Adopting this amendment will help us to accomplish this goal. I thank my colleagues in joining Senator COVERDELL and me in support of this effort.

Mr. CRAIG. Mr. President, I rise in support of S. 1429, the Taxpayer Refund Act of 1999.

This debate has been about numbers and surpluses and budget rules. To some extent, it has to be. But our efforts to provide tax relief are also about something more important:

People.

The kind of relief that both the Senate and House tax bills would provide is a matter of providing real help to real people who have real needs.

This tax relief is about returning some modest amount of liberty, some small measure of power, to the people. This is the most heavily taxed generation of Americans in history. Providing some degree of tax relief will return to individuals and families more power over their own lives, more ability to meet their pressing needs, and more of an opportunity to pursue their dreams.

I've looked at both the Senate and House bills. I think we can come up with a very good conference report based on these two bills—a conference report that preserves the best of both bills, and helps improve the lives of all Americans.

We are talking about a tax bill that removes some fundamental unfairness from the current system.

For example, it just isn't fair that two individuals should be forced to pay hundreds of dollars more in taxes simply because they get married. That's why the Senate bill ends the marriage penalty for two earners. I think we should go farther, which is why I've supported the Gramm amendment and the Hutchison amendment and hope we can do more in conference.

Mr. President, it just isn't fair that working families sometimes have to sell part or all of the family farm or the family business just to pay taxes. I've seen family farms carved up because of the death tax. The other side would have us believe that this is a debate about the so-called ''estates'' of rich people. It's not.

Death tax relief is a question of saving the family farm; maintaining the family business; and allowing people the fundamental freedom to dispose of their own property and their own savings as they see fit. The death tax imposes a double tax, because it confiscates property and savings built up from income left over after it's already been taxed one, two, or three times before.

But we know where the other side and the Administration are coming from. In fact, this Administration's former Secretary of Labor, in one of his books, called it a ''loophole'' for the tax code to allow parents actually to pass along some of their savings and possessions to their children.

I support the relief from the death tax in this bill and wish we could do more. That's why I've supported the Kyl amendment.

This tax relief bill is good for children. It would allow more parents to afford child care, both because it increases and expands the child care tax credit, also called the Dependent Care Credit, and because it allows more modest- and middle-income families to make full use of the child tax credit we enacted in the 1997 Tax Relief Act. It also would expand the tax exclusion for foster care payments.

This bill will help make education more affordable and available to individuals and families. It includes tax-free, qualified tuition plans; extends the employer-provided tuition assistance; and makes our 1997 education tax credits more fully available to modest- and middle-income families, by taking it out of the Alternative Minimum Tax calculations.

We should be doing even more to help families meet their educational needs and opportunities. This is why I've supported the Coverdell-Torricelli amendment to expand and improve Educational Savings Accounts.

The Coverdell-Torricelli amendment would give parents greater choice in how best to educate their children. The issue here is parental choice. Who knows best—parents or a distant government bureau in Washington, DC? In recent years, the focus has been entirely too much on growing the government and inventing federal programs. But much of that national government is far removed from the year-to-year and day-to-day decisions that parents must make, and work on with teachers and school boards, about their children's education.

This amendment would shift power and resources back to the most local level—Mom and Dad. The Coverdell amendment would allow more flexibility—and the use of more of their own money—as they face decisions about paying for things like tutoring, home computers, private or religious school, higher education, and vocational education. The amendment focuses especially on those who find it hard to pay for educational expenses now. In talking about public schools, supplies and activity fees are a burden on parents today. The Coverdell amendment would help families deal with those costs.

Mr. President, a few months ago, we passed the Ed-Flex bill. This law gives the state educational agency and the local educational agency the flexibility in how they spend federal dollars. Now, Mr. President, it is time to give parents similar flexibility in how they help provide for their children's education.

I hope we can do more to help families with their children's educational needs when this bill goes to conference. I hope we can include provisions that come much closer to the Coverdell-Torricelli amendment.

Besides helping families with the care and education of their children early in life, this bill also will help provide care in the twilight of life, through an additional deduction for providing in-home care for an elderly family member.

This bill takes a significant step forward in making health care coverage more affordable and available for millions of Americans. Small businesses and farm families, especially, will be helped by the accelerated, full deductibility of health care premiums, as will other workers not covered by an employer-provided plan. More Americans would be able to plan for long-term care, a critical area of growing need, because of an above-the-line deduction for individuals and inclusion in cafeteria plans at work.

America's farm families are in a period of economic crisis today. That crisis should be, and will be, addressed in a major farmers' aid package a number of us are working on. But additional, much-needed help is provided in this bill, as well.

Besides self-employed health insurance and death tax relief, this bill would provide for increased expensing,

starting next year, to $30,000; create the new FARRM Accounts—Farm and Ranch Risk Management Accounts—that Senators GRASSLEY, BURNS, I, and others have been working on; protect income averaging from the Alternative Minimum Tax; increase credits for reforestation; and allow farmer co-ops more dividend flexibility.

Like farmers, small business, the over-taxed engines of job-creation, innovation, and economic opportunity in our economy, will finally receive some relief from many of these same provisions.

The Senate bill makes tremendous strides in retirement security. Today's baby boomers, the first generation to have spent their entire lives in the most heavily-taxed generation, are becoming increasingly anxious about their prospects for retirement security. Why is no mystery: Since the baby boomers were children, they have seen the average family's tax burden, at all levels, increase by more than 50 percent, as a share of income. When the government takes 50 percent more from you than it did from your parents, how do you save and invest for your own retirement?

All taxpayers, of all incomes and all ages, stand to benefit from expanding the use of Individual Retirement Accounts. In the past, IRAs were a simple, universally-understood, readily-accessible to save for retirement. One of the worst things in the 1986 tax bill was the confusing limitations placed on IRAs that, in fact, have discouraged many modest- and middle-income workers from using them. Farmers and small business owners and their employees, especially, have an important stake in more accessible IRAs, because they have no other large, employer-provided pension plan to participate in.

Mr. President, the tax relief bills moving through Congress will help real people. The real debate is over two competing visions of how the government can help people. Those of us who support tax relief say, we help people when we give them back the power and freedom to control their own destinies. The other side says, they think it would help people if the government made decisions for them, and dispensed dependency through an expensive bureaucracy.

You can confiscate more and more money from workers, savers, and families. That, in fact, has been and is the trend. Then the government can spend that money, grow the bureaucracy, write more rules, make citizens feel more like supplicants, and, in the end, hand someone another small government check.

Or we can let workers, savers, entrepreneurs, and families keep a little more of their fruits of their own labors, and let them apply that directly to taking care of their children, their parents, their health care needs, and their education.

We can, as this bill does by extending the Work Opportunity Tax Credit, tell employers they can keep a little more of what they earn, if they also provide jobs for disadvantaged, hard-to-place workers.

Today, 70 percent of taxpayers receive no recognition of charitable giving—because they don't itemize their deductions. We can, in this bill, reward and encourage those middle-class taxpayers who benefit their community, help the less fortunate, and promote the social good, by letting them keep a little more of their hard-earned income, with an above-the line deduction for charitable donations.

We are talking about a modest and reasonable package of tax relief. Both Houses are calling for a tax cut of only 3.5 percent over the next 10 years, or less than one-fourth of the total amount taxpayers have been overcharged by their government.

We are proposing a modest amount of tax relief that leaves plenty of room to safeguard Social Security completely. In fact, with the budget we passed earlier this year, for the first time in history, Congress has committed itself to reserving all of the Social Security surplus, and all future Social Security revenues, exclusively for future Social Security benefits.

Our tax relief is based upon huge over-collections of taxes from American workers and taxpayers. In other words, yes, it is based upon projections of budget surpluses—surpluses projected both by the nonpartisan Congressional Budget Office and the President's own Office of Management and Budget. It is interesting that the same critics who criticize the idea of basing tax relief on projections then make up their own, speculative projections about the cuts in future spending programs they claim would result from this tax relief.

In point of fact, we all agree that Medicare, Veterans programs, education, and other priorities must be maintained and improved in the future. The budget we passed earlier this year provides for that, and this tax relief package doesn't infringe on them.

I remember how, just a few years ago, some in Congress, the White House, and special interest groups made dire predictions of how spending on all kinds of essential programs would have to be slashed to balance the budget.

Since then, a new Congress came to town in 1995, committed to balancing the budget and reining in the growth of government.

We've still had increases in spending, but they've been more moderate. We do have some high priority programs to re-evaluate. Some increases are needed. In other places, we need more restraint, and even some cuts.

But a balanced budget and a significant surplus have emerged—along with an economy that is strong because the people who work, save, invest, and create jobs took us seriously when we said we would balance the budget and limit the growth of spending.

Now, Congress has taken the first critical steps needed to save and preserve Social Security for the current generation of seniors and those who expect to retire soon. We all agree the next step is to modernize it for future generations. Our budget, and this tax relief, is perfectly consistent with that commitment.

Most of us agree with the majority of the bipartisan Medicare Commission that we need to shore up that program as well, too. That will involve expanding or improving some of what Medicare provides, as well as expanding consumer choice, increasing market discipline, curbing waste and abuse, and finding savings. Unfortunately, the necessary super-majority of the commission didn't allow it to turn its majority views into what it could call its ''official'' recommendations. But we in Congress stand ready to work with the President on the responsible reforms suggested by that commission and others.

And this Congress remains committed to reducing the national debt. Under our budget, and including this tax bill, we will cut the public debt in half over the next ten years, and reduce the debt by more than $200 billion over what the President's budget recommendations called for.

Still, Mr. President, even as we tackle all these challenges, we do have the capability of refunding to the hard-working American taxpayers a little of what they have been overcharged. That's what this legislation, and this debate, are all about today.

The choice is simple: More government and more spending versus letting the people keep a little more of their hard-earned incomes and a little more control over their own lives.

Mr. President, I vote for this tax relief bill because I am casting a vote of confidence for the wisdom of the people, and a vote to help by removing some of the heavy tax burden they are bearing.

COMMUNITY RENEWAL AND CHARITY EMPOWERMENT AMENDMENT

Mr. SANTORUM. Mr. President, I rise to discuss one of my amendments, No. 1476, offered with Senator ABRAHAM and Senator DEWINE, to establish renewal communities and encourage charitable giving to those organizations which make a lasting difference in the lives of people.

The amendment creates 100 renewal communities where businesses will have the incentive to stay and locate to provide economic opportunity for some of the most disadvantaged communities in America. The amendment also allows states to utilize federal block grant funds, if they choose to, in order to offset any revenue loss associated with offering a targeted state charity tax credit for individual donations to charities working predominantly to alleviate poverty.

Mr. President, I will continue to work with the chairman of the Finance Committee in order to see that these

critical provisions for expanding opportunity and transforming lives are included in the conference report. The Renewal Community provisions were included in the House of Representatives tax relief package and I look forward to working with the chairman to see that these provisions are included which unleash the power of the private sector and American charitable and faith-based resources to renew our commodities.

Mr. ROTH. I appreciate the comments of the Senator from Pennsylvania. My staff has been reviewing this proposal and we will continue working with him toward a favorable outcome.

Mr. SANTORUM. I thank the Senator. I appreciate his continued assistance.

Mr. ABRAHAM. Mr. President, I also rise in strong support of this legislation creating Renewal Communities. These distressed communities will be able to benefit from lower taxes, regulatory relief, and brownfields clean-up while committing to lowering barriers to economic opportunity. The President of the United States has voiced his support for helping these communities. The House of Representatives has already passed this legislation. Moreover, our amendment also provides states the option to leverage federal dollars to transform lives and communities to the extent that individuals are motivated to contribute to charitable organizations walking along side those in need.

Mr. ROTH. I thank the Senator from Michigan for his comments and look forward to working with him.

Mr. ABRAHAM. I thank the Senator.

Mr. ASHCROFT. Mr. President, I join the Senator from Pennsylvania and the Senator from Michigan and rise in support of the American community renewal and charity empowerment amendment. I would also encourage the Chairman to include these essential provisions in the conference report. The legislation will also provide increased flexibility for states that choose to offer targeted charity tax credits. This principle is consistent with the growing support for expansion of charitable choice and recognizes that empowering faith-based and other charities is an essential next step in welfare reform.

Mr. ROTH. I thank the Senator from Missouri and appreciate the commitment of the Senators who have spoken to these important issues.

Ms. MIKULSKI. Mr. President, I rise today to oppose what the Republicans are calling a tax cut. This so-called tax cut is a gimmick to get attention, to get votes, but not to get America what it needs.

The Republicans are trying to pander to every interest group in America and give them a tax break. And who doesn't want a tax break?

I oppose these tax cuts for three reasons. First, these tax cuts are premature. They are based on a projected surplus of funds that we do not have. We all know that this surplus exists on paper only. It is no more than a promissory note and we don't know if that note can or will be delivered.

Second, these tax cuts are irresponsible. With no surplus, we are spending money before we have it. We are on a collision course between monetary and fiscal responsibility. Shouldn't we combine our monetary and fiscal responsibilities to get the country in the right direction towards growth in the future?

Third, these tax cuts are callous. We are giving money away that we don't have—when we've not even met the compelling needs of our country: We've not fixed the draconian Medicare cuts stemming from the Balanced Budget Act of 1997. We've not ensured the long-term solvency of Social Security and Medicare. We've not addressed the spending caps—which are forcing cruel cuts in critical services for veterans health, and children's education, and which are crippling scientific research.

The Medicare cuts in the Balanced Budget Act of 1997 have already caused 34 Home Health agencies in my state to close—only two public Home Health Agencies remain in Maryland. Maryland is also facing a managed care crisis. Because of Balanced Budget Act of 1997, 18,000 people in Maryland will lose access to supplemental benefits such as prescription drug coverage and preventive health benefits.

Republicans may say that a tax cut will allow these senior citizens to use the money from a tax cut to buy supplemental coverage, such as Medi-Gap and that they are returning ''choice'' and ''freedom'' to the American people. But what about the forty-percent of Medicare beneficiaries who do not even submit tax returns because their incomes are so low. Those people will not see a dime of the tax out. They will still not have any way to afford prescription drugs like heart medication or insulin for diabetes, because their HMO left town.

Spending caps will threaten our ability to meet compelling human needs; to maintain the national security of the United States; and to stay the course on research and development.

Because of the spending caps, veterans of this nation are facing a 10% cut in health care.

Because of the spending caps, our members of the military will continue to be forced to shop in consignment shops and use food stamps because they are not making enough money. Mr. President, we cannot have a second-hand military. These are people who put their lives on the line to protect our nation. They should not have to use food stamps to feed their families and shop in second-hand stores for clothing.

Because of the spending caps, our continued technological advancement will be jeopardized. America must maintain its competitive edge if we are to maintain our leadership in science and technology.

I am not opposed to tax cuts when it is the right time to do so. I believe it is the right time for tax cuts when there is a real and actual surplus or an incredible recession and we need to stimulate consumption. It is clear that neither of these conditions exists today.

We need to get back to basics—to save lives, save communities, and save America. I urge my colleagues to join me in rejecting this phony tax cut.

CIAC

Mr. GRASSLEY. Mr. President, in the Small Business Job Protection Act of 1996, I had the good fortune of working with my esteemed colleague, the senior senator from Nevada, on an amendment restoring the exclusion for the receipt of contributions in aid of construction (CIAC) for water and sewage disposal property repealed by the Tax Reform Act of 1986.

I rise today to voice my concern about the possible direction of the Department of the Treasury's regulations interpreting the definition of CIAC under Internal Revenue Code section 118(b). Specifically, I am troubled by an effort to narrow the definition to exclude service laterals.

The Senator from Nevada and I, along with many of our colleagues here in the Chamber worked hard over the course of a number of years to restore the pre-1986 Act exclusion for the receipt of CIACs for water and sewage. As part of our efforts, we developed a revenue raiser in cooperation with the industry to make up any revenue loss due to our legislation. This revenue raiser extended the life, and changed the method, for depreciating water utility property from 20 year accelerated to 25 year straight line depreciation. As a consequence of this cooperation with the industry, our CIAC change made a net $274 million contribution toward deficit reduction.

In addition to these efforts, we made a number of changes to the pre-1986 language. The most important of these was a change to clarify that service laterals should be included in the definition of CIAC.

These lines typically run from a larger water distribution line to the property line of one or more customers. The utility is responsible for all maintenance and liability associated with service laterals. Additionally, state public utility commissions treat contributions for service laterals (or any other capital component of the water supply system) as a CIAC and, therefore, do not allow a utility company to include them in its rate base.

It is important to distinguish that service laterals are not fees charged to customers for the right to start and stop service. Such fees would be treated as taxable income. However, as elements of utility plant, the service laterals should be treated as CIAC.

Additionally, it is my sense that the final revenue estimate done by the Joint Committee on Taxation on the restoration of CIAC included service

laterals. In an October 11, 1995 letter to me the Joint Committee on Taxation provided revenue estimates for the CIAC legislation. A footnote in this letter states, ''These estimates have been revisited to reflect more recent data.'' The industry had only recently supplied the committee with comprehensive data, which reflected total CIAC in the industry including service laterals.

It is my sincere hope that the Department of the Treasury drafts the regulations on this important matter clearly reflecting the intent of Congress to include service laterals in the definition of CIAC.

Mr. REID. Mr. President, I, too, stand to express my concern over the possible direction of the Treasury regulations. The Senator from Iowa and I worked long and hard to fix this problem in 1996. We worked with the various staffs here in Congress and at the Department of the Treasury to ensure that all contributions in aid of construction as regulated by the various state utility commissions were included under our legislation. We worked with the industry to develop a revenue raiser paid for by companies receiving relief in our legislation. I urge the Department to stick closely with the congressional intent of our amendment and look forward to working with my colleague to ensure that we reach the correct result on this issue.

Mr. KOHL. Mr. President, I rise in opposition to the Roth tax bill and to express disappointment that Senator MOYNIHAN's alternative did not pass the Senate. The Moynihan amendment would have provided real tax relief to those Americans who need it most, maintained the balanced budget that we fought so hard to achieve, and strengthened the Social Security and Medicare programs for generations to come.

Senator MOYNIHAN's amendment would have reduced the unprecedented $800 billion, ten year tax cut to a more reasonable $295 billion. The Moynihan proposal pays a fair dividend, fairly distributed, to the working families that have fueled the current economic recovery. The Roth proposal breaks the bank with tax breaks for those who don't need them, and benefit cuts to those who have already suffered them. The Moynihan proposal takes a conservative, cautious estimate of the American economic pie and divides it evenly. The Roth proposal uses ''pie in the sky'' surplus estimates to justify huge tax breaks for a very small segment of society.

The proponents of $800 billion worth of tax relief would have us believe that a $1 trillion surplus is as reliable and inevitable as the sun coming up in the morning. But as my colleagues know, this projection is based on the most optimistic and unrealistic assumptions—assumptions about the precise direction of the economy, which is notoriously hard to predict, and assumptions about the willingness of Congress to make large and drastic spending cuts, which is notoriously nonexistent.

Over the next 5 years, the smallest changes in the economy could lead the $1 trillion surplus estimate to be off by as much as $250 billion.

And, who among us believes that Congress and the President have the ability, or the desire, to cut programs like education, agriculture, and biomedical research by the approximately 50% required? In fact, already this year we have increased spending by $35 billion with more added every day. Furthermore, members of Congress from both sides of the aisle admit there is no way we will finish our annual appropriations bill without yet another, end-of-the-year cash infusion.

The surplus is not a sure thing, and basing an $800 billion tax cut on it is a long-shot gamble. It was wrong, during the years of deficit spending, to take money from future generations and spend it on ourselves. It is equally wrong today to bet the money of future generations on shaky economic projections and the surreal expectation that Congress will suddenly—for the first time—decide to make tough cuts in government spending.

None of this is to suggest that our budget is as bad as it was ten years ago—it is just not as good as the Roth proposal assumes. Our nation is currently enjoying record unemployment, falling welfare rolls, and increased prosperity for more Americans than at any time in history. We can and should use this opportunity to fix oversights and inequities in our tax code. Working Americans have driven this economy, and they deserve to share in it—they deserve a tax code that helps them send their children to college, that eases the burden of paying for long-term care, that encourages marriage, saving and high quality child care. Simply put, in times of economic prosperity, we have the chance—and the obligation—to expand the pool of winners in our economy.

And there are definitely some provisions in the Roth proposal that do just that. Both Senator ROTH's bill and the Moynihan amendment contain a version of my Child Care Tax Credit to encourage employers to get involved in increasing the supply of quality child care. Both bills also contain my Farmer Tax Fairness Act to allow farmers to realize the benefits of income averaging. And both bills provide for education tax relief, marriage penalty relief, full health insurance deduction for the self-employed, tax relief to cover the costs of long-term care, and the extension of tax credits that are vital to our economic health.

But despite any common elements, on almost every point, the Moynihan alternative not only does a better job of containing the overall cost of tax relief, it also focuses that relief on those taxpayers most in need of help. It is a conservative package that leaves plenty of room to preserve Social Security and Medicare, preserve the fiscal balance we have worked so hard to achieve, and pay down the national debt.

Mr. President, for all these reasons, I hope, when we finally get serious about writing a tax bill later this year, we will seriously consider the Moynihan alternative. It is balanced, responsible and fiscally prudent. It will help us expand opportunities and make life better and easier for more Americans and their families. And we should reject the Roth proposal. It turns the clock back to the failed budget policies of the past, while providing too much benefit for too few Americans at too great a cost.

Mr. GORTON. Mr. President, the question now being considered by the Senate is whether we should refund a portion of the federal government surplus to American families.

Over the next ten years, the federal government will collect $996 billion more in income and other taxes than is necessary to pay fully for every existing federal program, agency and department. This means that the IRS will be taking almost $1 trillion more in taxes from the American people's paychecks than it needs to operate the government. This is a tax surplus—a tax overpayment.

This tax relief debate, serious as it is, concerns only the non-Social Security surplus. Both sides agree that the Social Security surplus itself is to be reserved for Social Security recipients only, and not be diverted to any other purpose.

There is, however, an important distinction between the two parties even on Social Security. Republicans, myself included, believe that we should pass a ''lockbox'' law, giving the strongest possible statutory protection to that Social Security surplus. Democrats have consistently filibustered our proposal, asking Americans simply to trust them not to raid the Social Security surplus in the future as they have in the past. That is not enough.

The difference between the parties on taxes is even more striking. Republicans believe that the lion's share of the non-Social Security surplus ought to be returned to the American taxpayer whose taxes created that surplus; Democrats want to spend that surplus on new and expanded government programs.

I am convinced that this tax overpayment should be refunded to the American people who worked for and earned it. It is their money and it should be returned to them to invest and spend as they deem best for their families and their futures. The alternative to refunding the tax surplus to taxpayers is to leave the money in Washington, DC where it will be spent to create $1 trillion in new government programs.

The President and his supporters in Congress are making outrageous claims that giving a refund to taxpayers is risky or even dangerous. They say that somehow returning a portion of the government surplus to

American families will somehow endanger the very livelihoods of women and children. On that point, I would ask every American citizen to challenge the President and his Democratic allies to back up with facts their politically-charged claims.

This latest shameless charade by the President is absolutely outrageous. The inference propounded by President Clinton is that those of us in this Chamber who support a tax refund are out to harm women and children, and that those who oppose such a refund care more about women and children than we do. That's an absolute outrage, and I'm truly sorry to see that the President of the United States will stoop to such low levels in order to keep this money here in Washington, D.C. so that he can spend it on new government programs.

I will resist the temptation to join the President in his game of scare tactics, but I will take this opportunity to challenge all Americans to ask themselves this question when they hear these ridiculous charges: how will women and children, or anyone else for that matter, possibly be hurt by the government giving them back some of the money they overpaid to Washington, D.C.?

To further illustrate the weakness of the President's argument, I'd like everyone watching this on C–Span back home to take three dollars out of his or her purse or wallet. Now imagine that each dollar bill is worth a trillion dollars. That's the surplus—the people's tax overpayment. That's the amount that Americans have overpaid the government in personal income and other taxes.

We Republicans want to put two of these dollars aside to protect Social Security and Medicare and other essential programs, and to cut the national debt in half.

The debate with the Democrats is over what to do with the third dollar. Republicans want to give it back to the taxpayers who earned it. Democrats want to spend it on new programs and bureaucracies. It's as simple and clear as that.

The surplus is generated from personal income and other taxes, it belongs to the American people. It's not the government's money—it's your money . . . you sent it here. Shouldn't you get some of it back?

While I strongly support refunding the tax surplus to the taxpaying families and hardworking individuals all across this country, it is my sincere hope that Congress will ultimately pass a bill that reduces the tax burden on Washington state families while moving towards simplification of the federal tax code.

Fundamental reform of the tax code is my number one tax priority. I am a strong, committed advocate for the elimination of our current federal tax system. It is too complicated, too burdensome, too unfair. The current system should be scrapped and replaced with one that is much simpler and easier to understand. We need to focus our energy and attention in Congress on developing an alternative. I will support a replacement code that is based on four principles: the new code must be fair, simple, uniform and consistent. Americans deserve a tax code they can understand and predict.

A vast majority of the American people and those in Congress support reforming our tax code. I hope that when Congress takes action to ease the cost burden of the federal tax code, the opportunity to simplify or reduce the complexity of the tax code will be seized. I do not pretend to believe there is consensus on how to reform the code completely at this time, but at the very least Congress should pass a tax bill that does not make the code even more of a bewildering mess than it is today.

Unfortunately, the bill reported out of the Finance Committee does not achieve the goals of either simplifying the code, or even to do no further harm. The bill contains 15 titles, 19 subtitles and 163 various sections to total over 400 pages in length. It takes a report of an additional almost 300 pages to explain what the bill even does. Yes, the bill does refund nearly $800 billion in unneeded tax dollars back to the American people, but at what price? Adding more pages to the tax code? Making the code more complicated? Further confusing taxpayers as they struggle to fill out their tax returns?

What is most unfortunate is that a tax relief bill need not be so complex. It is certainly possible to refund the tax surplus simply and directly. An alternative was proposed during committee consideration by Senator GRAMM that accomplished the goal of simple tax relief by including just four elements: broad-based income tax rate relief, repeal of death taxes, elimination of the marriage penalty, and full deductibility for health insurance for all Americans. I voted for that alternative in the Senate.

While I may not fully endorse every aspect of this specific proposal, I strongly and enthusiastically support its intent to refund the taxpayers' money in a manner that simplifies and corrects injustices in the current tax code. We should get rid of death taxes, stop penalizing married couples through the tax code, allow self-employed and individual Americans to fully deduct their health insurance costs just as corporations can, and we should permanently extend the R&D tax credit so that our increasingly technology driven economy can continue to grow and create jobs.

I cannot, though, happily endorse a tax relief package that moves toward such reform only to get lost in a 443-page swamp of countless new provisions and rules. The citizens of Washington state and the taxpayers of this nation deserve to have a significant portion of the tax surplus returned to them, and they deserve it in a manner that doesn't make filling out their IRS return by April 15th even more of an exasperating experience.

For now, I will continue to push for a debate that reforms our tax code. In the meantime, I am committed to pushing onward with the principles that guide this debate: Should a portion of the government surplus be refunded to American families, or should the rest of the non-Social Security and Medicare surplus be left in Washington, D.C. for increased spending on government programs?

On that question, the answer is easy . . . give American families a tax refund. That requires a yes vote, though with serious reservations.

CAPTIAL GAINS EXCLUSION

Mr. DORGAN. Mr. President, I rise to enter into a colloquy with the chairman of the Finance Committee, Senator ROTH, about a tax issue that is important to farm families across the country.

The Senate is on record in this year's budget resolution as supporting legislation to end the disparity between family farmers and their urban and suburban counterparts with respect to the $500,000 capital gains inclusion for homes sales that Congress passed in 1997 by expanding it to cover capital gains from the sale of farmland along with the farmhouse. Under current law, farmers receive little or no benefit from the existing capital gains exclusion because farm homes away from town often hold little or no value.

It is my understanding that the chairman is supportive of the effort to end this tax inequity and will work to include this family farmers capital gains fairness proposal in conference should the final tax bill include other capital gains tax relief.

Mr. ROTH. I understand the Senator's concerns. In the context of capital gains, I believe the needs of farmers should be considered as we develop future legislation. In the conference, we will certainly be discussing capital gains. And we will consider the special needs of farmers in this area.

Mr. CAMPBELL. Mr. President. Today I express my support for S. 1429, The Taxpayer Refund Act of 1999. This is a sound bill based on real need and I believe the American taxpayers deserve and want this legislation.

The Taxpayer Refund Act of 1999 goes a long way to relieve taxpayers of an unfair tax burden. This bill provides: broad-based tax relief; family tax relief by addressing the Marriage Penalty Tax; retirement savings and education incentives; health care tax reductions; small business tax relief; international tax reform, and death and gift tax relief, among other provisions.

I am particularly interested in the estate tax relief because earlier this year I introduced the Estate and Gift Tax Rate Reduction Act of 1999, (S. 38). Estate and gift taxes remain a burden on American families, particularly those who pursue the American dream

of owning their own business. This is because family-owned businesses and farms are hit with the highest tax rate when they are handed down to descendants—often immediately following the death of a loved one. These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That's higher than even the highest income tax rate bracket of 39 percent.

Furthermore, the tax is due as soon as the business is turned over to the heir, allowing no time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is just too much.

This tax sends the troubling message that families should either sell the business while they are still alive, in order to spare their descendants this huge tax after their passing, or run-down the value of the business, so that it won't make it into their higher tax brackets. Whichever the case may be, it hardly seems to encourage private investment and initiative, which have always been such a strong part of our American heritage.

I am pleased that the bill before us takes the important step to address this unfair burden. I will continue to work with my colleagues for the complete elimination of the death tax.

I have heard the argument that this tax cut will threaten Social Security, but that's just not true. In fact, this bill saves every penny of the money set aside for Social Security. Social Security is safe and secure with this bill. This bill also leaves $277 billion to finance Medicare, emergencies or other priorities, so this bill does not threaten Medicare or Medicare beneficiaries. In contrast, the administration's budget would increase spending by $1 trillion and increase taxes by $100 billion over the next 10 years according to the Congressional Budget Office. How can this administration believe that they can increase spending and taxes even though they already admitted raising taxes too much? I think since we now have a balanced budget, then the American people deserve this tax cut. The American people have earned this tax cut, this is their money and I think we should give it back to them.

I know that $792 billion is a lot of money, but we have a $3 trillion surplus and one reason we have a $3 trillion surplus is the taxpayers got their taxes raised too much. I realize that we could just go ahead and spend that extra money like the administration wants to do, but I think that would be irresponsible. I think if the American people overpaid, then the American people should get their money back—that's just fair.

The Taxpayer Refund Act of 1999 is the largest middle-class tax relief since the Reagan administration and I think it's high time the hard-working taxpayer get this refund.

I ask unanimous consent to have pertinent information printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, March 5, 1999.

Senator BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: This is in response to your request dated February 24, 1999, for a revenue estimate of your bill, S. 38, ''The Estate and Gift Tax Rate Reduction Act.'' Briefly, this bill would reduce the statutory estate and gift tax rates contained in section 2010 of the Internal Revenue Code of 1986 (the ''Code'') each year by subtracting 5 percent from each rate in each rate bracket contained therein. In addition, your bill would also reduce the credit for State death taxes contained in section 2011 of the Code by subtracting each year 1.5 percent from each rate in each rate bracket contained therein. As the result of these reductions in the statutory estate and gift tax rates, Subtitle B of the Code pertaining to estate, gift, and generation-skipping transfer taxes will effectively be repealed for decedents dying and gifts made after December 31, 2009.

Assuming that your bill would take effect for decedents dying and gifts made after December 31, 1999, we estimate that this proposal would decrease Federal fiscal year budget receipts as follows:

[In billions of dollars]

Fiscal years:	
2000	
2001	−4.1
2002	−8.4
2003	−13.4
2004	−18.1
2005	−22.1
2006	−26.3
2007	−30.8
2008	−35.1
2009	−39.5
Total	−197.8

I hope this information is helpful to you. Please let me know if we can be of further assistance in this matter.

Sincerely,

LINDY L. PAUL.

UNITED STATES SENATE,
Washington, DC, December 11, 1998.

DEAR COLLEAGUE: As we prepare to convene the 106th Congress, I am writing to seek your co-sponsorship of legislation that would eliminate the burden of the death taxes. On July 16, 1998, I introduced S. 2318, a bill that took a fresh and prudent approach to reducing the burden of estate and gift taxes. This important bill, which I plan on re-introducing as soon as we reconvene, would amend the Internal Revenue Service Code of 1986 to phase out gift and estate taxes completely over a ten year period. A copy of S. 2318 is enclosed for your convenience.

Just this month, the Joint Economic Committee released its study entitled, ''The Economics of the Estate Tax.'' This thorough analysis concluded that ''the estate tax generates costs to taxpayers, the economy and the environment that far exceed any potential benefits that it might arguably produce.'' The study shows persuasively that this unfair and byzantine tax restricts economic growth and squelches entrepreneurial initiative. Of special importance to me, the study also demonstrates how this tax undermines family-owned businesses and farms—a segment of our economy responsible for about ⅔ of new job creation since the early 1970s. Clearly, the time for eliminating the estate tax has arrived.

My bill would gradually eliminate this tax completely, by reducing the tax five percent each year, until the highest rate reaches zero. Although the $23 billion received from this tax last year represents only a tiny percentage of overall IRS receipts, eliminating it requires a gradual approach. A gradual reduction over ten years is wise as we struggle to maintain our commitment to balance the budget and prune the federal government. A gradual approach minimizes possible dislocations.

Several states have already taken a similar initiative and phased out their state taxes on their own. I think it's time we follow their example and eliminate this federal tax. My bill last year was endorsed by the American Farm Bureau, the Family Business Estate Tax Coalition, the U.S. Chamber of Commerce, and other interested groups.

Should you wish to be an original cosponsor of this bill when I reintroduce it, or if you have any questions about this bill, please contact me, or have your staff contact Amy Amato of my staff at 224–5852. I look forward to working with you.

Sincerely,

BEN NIGHTHORSE CAMPBELL,
U.S. Senator.

UNITED STATES SENATE,
Washington, DC, April 22, 1999.

DEAR COLLEAGUE: We are writing to request your cosponsorship of S. 38, the Estate and Gift Tax Rate Reduction Act of 1999. This bill takes a fresh and prudent approach to reducing the burden of estate and gift taxes by phasing out gift and estate taxes completely over a ten year period.

In December, the Joint Economic Committee released its study entitled, ''The Economics of the Estate Tax.'' This thorough analysis concluded that ''the estate tax generates costs to taxpayers, the economy and the environment that far exceed any potential benefits that it might arguably produce.'' The study shows persuasively that this unfair and Byzantine tax retards economic growth, and squelches entrepreneurial initiative. The study also demonstrates how this tax undermines family-owned businesses and farms—a segment of our economy responsible for about ⅔ of new job creation since the early 1970s. In fact, in large part due to this tax, only 30% of family-owned businesses survive through the second generation and only 13% survive through the third. Clearly, the time for eliminating the estate tax has arrived.

S. 38 would gradually eliminate this tax completely, by reducing the tax five percent each year, until the highest rate reaches zero. Although the $23 billion received from this tax last year represents only a tiny percentage of overall IRS receipts, eliminating it requires a gradual approach to minimize possible dislocations. A gradual reduction over ten years is prudent as we struggle to maintain our commitment to balance the budget and prune the federal government.

Several states have already taken a similar initiative and phased out their state estate taxes on their own. It's time we follow their example and eliminate this federal tax. Eliminating the tax has widespread support. In fact, 60% of business owners report that they would increase investment and add more jobs if this tax were eliminated. That kind of positive effect on the American economy is tremendous. This bill has the endorsement of the American Farm Bureau, the Family Business Estate Tax Coalition,

the U.S. Chamber of Commerce, the National Federation of Business, and over 100 other interested organizations. The time to eliminate this tax has clearly come.

Should you wish to be a cosponsor of this bill, or if you have any questions about this bill, please contact us, or have your staff contact Amy Amato of Senator Campbell's staff at 224–5852 or Kolan Davis of Senator Grassley's staff at 224–3744. We look forward to working with you.

Sincerely,

BEN NIGHTHORSE CAMPBELL,
U.S. Senator.
CHARLES GRASSLEY,
U.S. Senator.

Mr. AKAKA. Mr. President, I rise, while we are debating the budget reconciliation bill, to talk about an important family issue that I raised during debate on the emergency supplemental bill in March. I want to voice my strong opposition to efforts by Members in the other body to use $6 billion in unspent welfare and health care funds, intended for low-income children and their families, as a gimmick to overcome their problem with this year's low budget caps.

Mr. President, I am referring to attempts to rescind $6 billion in unobligated Temporary Assistance for Needy Families, or TANF money, and unobligated Medicaid or Children's Health Insurance Plan funds. I learned of this proposal after reading the July 28, 1999, New York Times, in which appeared a story entitled, ''Leaders in House Covet States' Unspent Welfare Money.'' Why do they want to do this? To help fund the $792 billion tax cut proposal that the other body passed last week—a proposal that would mostly help the wealthy in our nation. Any such action would be a repudiation of our promise to help families living in poverty. It is a classic situation of reverse Robin Hood: robbing the poor to give more to the rich.

Mr. President, during debate on the welfare reform bill in 1996, states agreed to trade entitlement status under the Aid to Families with Dependent Children program for the assurance of a fixed, annual amount in the form of a block grant. Those of us who opposed the welfare bill for this and other reasons warned that it would be harder under a block grant to keep welfare funds from being cut. Now, certain members are turning our fears into reality. The cuts in this former entitlement program have begun. Cutting funds in this manner, Mr. President, would represent a betrayal of our promise to protect America's poor families.

Again, as I explained in March, the term, ''unobligated,'' may seem self-explanatory—that these are simply funds that have not been spent under TANF, Medicaid, or CHIP. Under TANF, according to the U.S. Department of Health and Human Services, a combined total of $4.2 billion from fiscal years 1997, 1998 and 1999 is available. Some would point out that many poor families have worked their way to self-sufficiency and that welfare rolls have fallen by record numbers, as reasons why this money is not needed by states and remains unobligated.

However, many states are relying heavily on these unobligated funds and have already committed them for a wide variety of uses. States need to distribute some of this funding to counties and local agencies, or to child care and social services activities. Governors are keeping ''rainy day'' funds for contingencies such as recessions or periods of stagnant growth—as we have now in my State of Hawaii—that force families back onto welfare and leave states without enough money until the next quarterly federal payment. States are also planning to use this money for fundamental or new, innovative expenses to help poor families become financially independent.

In July 23, the National Governors Association wrote to Congressmen JOHN PORTER and DAVID OBEY of the House Appropriations Committee, to plead their case. This letter is signed by Governors Thomas R. Carper of Delaware and Michael O. Leavitt of Utah, one Democrat and one Republican. The letter states, ''Cutting funding for vital health and human services programs such as Medicaid, CHIP, TANF, and child support would adversely affect millions of Americans—with the greatest impact on children and the elderly in the greatest need. We reiterate our adamant and uniform opposition to these unprecedented cuts and to any proposal that would result in such drastic cuts to our most vulnerable citizens.''

I concur with the Governors' sentiments about these valuable programs.

Mr. President, I do this especially because the monies in question were originally designated to help our poorest children and their families. Instead, they would, over the next 10 years, go toward such things as estate tax relief and capital gains tax relief—tax benefits for the wealthiest taxpayers in the Nation.

Tax relief can be a good thing. However, it should not be the top priority when we face the urgent need to pay down our country's debt and save Social Security and Medicare. I hope my colleagues agree with me on an issue that is important to many poor Americans. I hope funding is not taken out of TANF, Medicaid or CHIP, as a solution to low budget caps.

INDEPENDENT BAKERY DRIVERS

Mr. NICKLES. Mr. President, I have been working for several years to clarify a provision of the tax code which treats certain truck drivers as ''statutory employees,'' meaning they are independent contractors except for payroll tax purposes.

Prior to 1991, these individuals could pay their own payroll taxes if they had a substantial investment in a distribution route. However, a 1991 IRS ruling said that an investment in a distribution route no longer qualified as an investment in ''facilities.'' This reversal by the IRS has created much uncertainty, particularly in the bakery industry.

I have prepared an amendment to clarify that an investment in facilities can include a substantial investment in a distribution route, area, or territory. Thus, an independent-contractor truck driver who has a substantial investment in a distribution route or territory will not be treated as a statutory employee for FICA and FUTA tax purposes.

Unfortunately, I am prevented from offering my amendment to this tax reconciliation bill because it affects the Social Security program. Under Section 310(g) of the Budget Act, the adoption of my amendment would cause the entire bill to be subject to a 60-vote point of order.

Therefore, I will not offer my amendment to this bill. However, I ask my colleague from Delaware, Senator ROTH, if he would work with me to consider this amendment on the next non-reconciliation tax measure considered by the Senate Finance Committee.

Mr. ROTH. I thank the Senator from Oklahoma for his comments on this issue. The budget reconciliation procedures do prevent the consideration of some amendments such as the one described by the Senator from Oklahoma. I look forward to working with the Senator from Oklahoma on this important issue on the next non-reconciliation tax bill.

TAX RULES FOR CONSOLIDATION OF LIFE INSURANCE COMPENSATION

Mr. COVERDELL. Mr. President, let me ask the Chairman. As I understand it, the tax rules regarding the taxation of life insurance companies have changed substantially over the past years. As a vestige of these old tax rules, however, there are certain limitations on when life insurance companies can file consolidated tax returns with non-life companies.

Mr. ROTH. Yes, I agree.

Mr. SHELBY. I also want to note that in the Senator's tax bill and in the House tax bill, some of these restrictions on life insurance consolidation have been addressed.

Mr. ROTH. Yes, that is true.

Mr. SHELBY. I ask that the Chairman keep in mind the further rationalization of these restrictions as this bill heads into conference and in future action in the Committee.

Mr. ROTH. I will keep in mind the concerns of both Senators in this important issue.

BRINGING COMPUTERS TO THE CLASSROOM

Mr. DASCHLE. Mr. President, as a cosponsor of the New Millennium Classrooms Act, introduced by Senators ABRAHAM and WYDEN, I am very pleased the Senate adopted this provision to encourage computer donations to schools. While I oppose the underlying bill, and believe the magnitude of the Republican tax cut is irresponsible, I do support a more reasonable level of tax relief with provisions targeted to address national needs. This provision, which has strong bipartisan support,

meets that test. I would also like to point out that Senator BAUCUS sponsored a similar provision that was part of the Democratic alternative considered earlier.

Technology is playing an increasingly important role in our society, in homes, in businesses, and in many aspects of everyday life. Employers will require increasingly sophisticated levels of technological literacy in the workplace of the 21st Century. Education Secretary Riley has pointed out that we can expect 70 percent growth in computer and technology-related jobs in the next 6 years.

Yet, a recent U.S. Department of Commerce report, ''Falling Through the Net: Defining the Digital Divide,'' finds there is a growing disparity in terms of who has access to technology. While more Americans are embracing technology, African Americans and Hispanics, particularly from lower-income families and from rural areas, have less access to computers, and that gap is growing. We find ourselves with a new, information-age definition of ''haves'' and ''have-nots.'' These conditions are not good either for those left behind, or for those who will be looking to hire employees in the future.

Every child should be able to gain technological skills through his or her classroom. Yet many schools are having difficulty meeting this challenge. Sadly, while some schools have access to the latest in equipment, too many schools, particularly in fiscally strapped urban and rural areas, have an insufficient number of computers, and most of those are outdated. The average computer in the classroom is 7 years old—and many are even older. A large proportion of these computers cannot run current educational software or connect to the Internet.

The Department of Education recommends that the optimal ratio of students per computer is five to one. Yet schools where 81 percent or more of the children meet the Title I eligibility standards have only one multimedia computer for every 32 students. Even schools where less than 20 percent of the students are economically disadvantaged have only one multimedia computer for every 22 students.

At the same time, research shows that students with the least access to technology can be helped most from effectively integrating technology into the classroom. A study by City University of New York found test scores of disadvantaged children increased dramatically with computer-aided instruction.

We have taken several steps at the federal level to increase schools' ability to integrate technology into the classroom. The creation of the E-rate program, for example, is helping schools obtain access to the Internet. Technology Challenge grants are providing resources to schools to upgrade their computer programs. We are also providing more resources to help train teachers on the best ways to use technology effectively in their classes. But many schools have a fundamental problem in obtaining suitable hardware.

Current law provides an enhanced deduction for corporate donations to schools until December 31, 2000. Unfortunately, few corporations are taking advantage of the enhanced deduction for two main reasons: the requirement that donated equipment be 2 years old or less does not fit companies' equipment use cycles, and the deduction does not provide a sufficient incentive. Modifying the tax code to address these limitations, as the Abraham-Wyden amendment proposes, will help us achieve the goal of putting a computer in every classroom and create ongoing incentives to make sure the technology is kept reasonably up-to-date.

The Rand Institute has estimated the cost of providing our schools with appropriate technology to be about $15 billion. The New Millennium Classrooms Act will help stretch federal funds efficiently and effectively to address this shortfall.

Mr. President, we all talk about the importance of encouraging businesses to become more involved in the educational process in their communities. This provision creates a strong incentive to help build those relationships while providing school children with access to updated equipment. I thank my colleagues for supporting it and intend to work to see it enacted as part of a more responsible budget plan.

Mr. WYDEN. Mr. President, I am pleased that last night the Senate adopted the Abraham-Wyden New Millennium Classrooms Act as an amendment to the reconciliation tax bill. Senator ABRAHAM and I have worked on many technology issues together as members of the Senate Commerce Committee.

The New Millennium Classrooms Act is about digital recycling. It gives companies an incentive to recycle technology. It says the computer Bill Gates may see as a dinosaur, is really a dynamic new opportunity for seniors and students who have none.

There is a growing need to encourage access to information technology for both seniors and students. The Administration on Aging estimates there are about 11,500 senior centers throughout the United States serving millions of older Americans. The centers offer a variety of services, including employee assistance and educational programs. Equipping senior centers with donated computer equipment could help open the door to employment opportunities.

We know there is a growing demand for skilled high tech workers. Just last year, the high tech community came to Congress asking for a large increase in the number of skilled H–1B visas so they could hire foreign workers to fill the gap. Congress agreed to boost the number of H–1B visas from 65,000 to 115,000 for 1999 and 2000. Those are 50,000 jobs that could have gone to Americans. Many seniors have the drive and the desire to keep working; they simply need to gain some basic computer skills.

While it is important for all Americans to have equal access to information technology, the most pressing need is in our schools. The Department of Commerce recently published a report, ''Falling Through the Net: Defining the Digital Divide.'' It shows that the rapid build-out of the information superhighway has by-passed many in rural and in less-advantaged urban communities. The report says factors such as race, income and area of residence help limit access to information technology. For example, the study found that households earning more than $75,000 are five times more likely to own computers than those earning less than $10,000. Households earning more than $75,000 are seven times more likely to use the Internet as those earning less than $10,000.

We know that very early in the next Century 60% of all jobs will require high-tech computer skills. To prepare our children for the jobs of the future, they not only must have access to technology, but they must be trained to use it as well. But we cannot count on children in low-income and rural communities even to have access to computers.

Schools can serve as great equalizers in this equation, giving all children access to information technology resources. However, a 1997 report by the Educational Testing Service found that on average there was only one multimedia computer for every 24 students. In economically disadvantaged communities, the situation is worse: the computer to student ratio rises to one in 32.

The purpose of our amendment is to build more bridges between the technology ''haves'' and the ''have nots'' to build more on-ramps to the information superhighway. You can't get 21st Century classrooms, using Flintstones technology. However, technology is not cheap and school budgets are limited, making it tough for schools to upgrade their systems by themselves. The point of our amendment is to enhance existing incentives to businesses to donate computer equipment to schools.

There is a federal program in place, the 21st Century Classroom Act of 1997, but its use has been limited. It allows businesses to take a tax deduction for certain computer equipment donations to K–12 schools. But most businesses take longer to upgrade their computers than allowed for under the law.

The New Millennium Classrooms Act would make this law work the way it was intended, and include donations to senior centers under this tax credit. First, our legislation would increase the age limit from two to three years for donated equipment eligible for a tax credit. This more realistically tracks the time line businesses follow for their computer upgrades. It will cover hardware that possesses the necessary memory capacity and graphics capability to support Internet and multimedia applications.

Second, our bill expands the current limitation of ''original use'' to include both original equipment manufacturers and any corporation that reacquires their equipment. We believe that by expanding the number of donors eligible for the credit, we will expand the number of computers donated to schools and senior centers.

Third, our bill provides for a 30% tax credit of the fair market value for school and senior center computer donations, and a 50% credit for donations to schools located in empowerment zones, enterprise communities and Indian reservations. The Department of Commerce report highlights the need to encourage school computer donation in these notoriously under-served communities and we want to target donations toward these communities.

Finally, our bill requires an operating system to be included on a donated computer's hard drive in order to qualify for the tax credit. This will ensure students and seniors don't get empty computer shells, but the brains that drive the computers.

Our legislation is supported by a wide range of business and education groups. Leaders of technology associations, like the Information Technology Industry Council and TechNet, and the National Association of Manufacturers have joined education associations, such as the National Association of Secondary School Principals and the National Association of State University and Land Grant Colleges, in support of the amendment.

The Digital Millennium Classrooms Act promotes digital recycling. It will encourage companies to put their used computers into classrooms instead of into landfills. It will help build a safety net under students trying to cross the digital divide. I thank my colleagues for supporting this amendment, and again wish to commend Senator ABRAHAM for his leadership on this legislation.

Mr. MCCAIN. Mr. President, as one who has advocated tax relief and reform for American families throughout my 17 years in Congress, I welcome the opportunity to speak on the Taxpayer Refund Act of 1999.

Americans want, need, and deserve tax relief. The government takes too much of the American people's earnings to fund the bloated bureaucracy in Washington. The notion that the government knows better than families how to spend their money is absurd. Americans should be able to keep much more of their hard-earned money to use and invest for themselves and their family's future.

Not only do Americans want and need tax relief, they also deserve fundamental reform of our unfair and overly complex tax code. For years, and this bill is no exception, we have compounded the tax code's complexity and put tax loopholes for special interests ahead of tax relief for working families. The result is a tax code that is a bewildering 44,000 page catalogue of favors for a privileged few and a chamber of horrors for the rest of America—except perhaps the accountants and lawyers.

No one can possibly believe it's fair to tax your salary, your investments, your property, your expenses, your marriage, and your death. Taxes claim nearly 40 percent of the average taxpayer's income. This is simply not right.

This bill takes several steps toward relieving that excessive tax burden, and I congratulate the Chairman and his colleagues on the Senate Finance Committee for their hard work in crafting this bill for the Senate's consideration.

There are many good provisions in this bill, and I intend to support it in the hope that a conference agreement can be reached that provides meaningful tax relief and that the President will sign into law. However, I am concerned that the majority of the tax relief proposed in this bill will not be available to taxpayers for several years. The bill also excludes other very good ideas but includes several provisions that are clearly intended to benefit special interests. I hope the amendment process, limited though it is by the Senate's arcane rules for dealing with reconciliation measures, will improve it before we are asked to vote on final passage.

Mr. President, the latest reports project a nearly $3 trillion federal budget surplus over the next 10 years. About two-thirds of the projected surplus comes from Social Security payroll taxes that are deposited in the Social Security Trust Funds, and must be kept away from spendthrift politicians to ensure that Social Security benefits are paid as promised. Our first priority must be to lock up the Social Security Trust Funds to prevent Presidential or Congressional raids on workers' retirement funds to pay for so-called ''emergency'' spending or new big government programs. Most Americans don't share the view that dubious pork-barrel projects, such as millions of dollars in assistance to reindeer ranchers and maple sugar producers, should be treated as emergencies to be paid for with their Social Security taxes, but that is what Congress did earlier this year.

That leaves nearly $1 trillion in non-Social Security revenue surpluses. Now, the typical Washington response would be to spend the money on new government programs and bureaucracies. Let me state very clearly that I vehemently oppose the view that ''growing government'' should be a national priority. To the contrary, our goal should be to continue to shrink the size of the federal government, returning more power and money to the people.

I firmly believe a healthy portion of the projected non-Social Security surplus should be returned to the American people in the form of tax cuts. I also believe we have a responsibility to balance the need for tax relief with other pressing national priorities.

After locking up the Social Security surpluses, I would dedicate 62 percent of the remaining $1 trillion in non-Social Security surplus revenues, or about $620 billion, to shore up the Social Security Trust Funds, extending the solvency of the Social Security system until at least the middle of the next century. The President promised to save Social Security, but he failed to include this proposal anywhere in his budget submission. In fact, he has since proposed or supported spending billions of dollars from the surplus on other government programs, depleting the funds needed to ensure retirement benefits are paid as promised.

I would also reserve 10 percent of the non-Social Security surplus to protect the Medicare system, and use 5 percent to begin paying down our $5.6 trillion national debt.

With the remaining $230 billion in surplus revenues, plus about $300 billion raised by closing inequitable corporate tax loopholes and ending unnecessary spending subsidies, I would provide meaningful tax relief that benefits Americans and fuels the economy.

My tax relief plan, which was filed as an amendment to this bill, provides slightly more than $500 billion in tax relief over 10 years, targeted toward lower- and middle-income Americans, family farmers and small businessmen, and families. The bill before the Senate includes provisions that are similar to some of the proposals included in my plan.

The bill does provide relief from the marriage penalty and gift and estate taxes, but these important provisions do not take effect for several years. I believe we should repeal, once and for all, the disgraceful tax penalty that punishes couples who want to get married. We should also slash the death tax that prevents a father or a mother from leaving the hard-earned fruits of their labor to their children. Why wait five or seven years to provide some relief from these onerous and unfair taxes?

The bill properly targets the lowest 15 percent tax bracket for a one-percent rate reduction and provides for a gradual increase in the upper limit of the bracket. My plan would also expand this bracket to allow as many as 17 million more Americans to pay taxes at the lowest rate.

The bill also increases the income threshold for tax-deferred contributions to IRAs, but not until 2008, and very gradually increases the amount that employees can contribute each year to employer-sponsored retirement plans. We should make these increases effective immediately to encourage more Americans to save now for their retirement.

What the bill before the Senate does not do is provide much-needed incentives for saving. Restoring to every American the tax exemption for the first $200 in interest and dividend income would go a long way toward reversing the abysmal savings rate in this country.

Most important, we must eliminate immediately the Social Security earnings test. This tax unfairly penalizes senior citizens who choose to, or have to, work by taking away $1 of their Social Security benefits for every $3 they earn. There is no justifiable reason to force seniors with decades of knowledge and expertise out of the workforce by imposing such a punitive tax.

Many of the other provisions in this bill that provide tax relief for education, health care, and other issues important to American families are implemented gradually or simply delayed for several years. Likewise, some of the provisions that benefit small businesses and tax-exempt organizations do not take effect for a number of years. In fact, less than half of the 120 provisions in this bill provide any tax relief at all in the year 2000. Those tax cuts that do take effect immediately amount to just $5 billion of the nearly $800 billion total tax cuts in the bill.

But look at some of the provisions that do take effect immediately:

—A provision to extend the tax credit for electricity produced from wind and closed-loop biomass sources, and also extend the credit to electricity produced from poultry waste, which is defined to include rice hulls, wood shavings, straw, bedding, and other litter. This provision goes into effect immediately, and will cost $1.6 billion over 10 years.

—A provision to exempt individuals with foreign addresses from paying the 7.5 percent air passenger ticket tax on frequent flier miles, leaving American passengers to pay for our over-burdened air traffic control system. The provision goes into effect on January 1, 2000, and will cost $238 million over 10 years.

—A provision that exempts small seaplanes from paying ticket taxes. This provision goes into effect on December 31, 1999, and will cost $11 million over 10 years.

—A provision to reduce the excise tax, from 12.4 percent to 11 percent, on component parts of arrows used for hunting fish and game that measure 18 inches overall or more in length. This provision takes effect immediately.

How can we justify giving a $33 million tax break next year to companies producing electricity from chicken waste, when senior citizens have to forego some of their Social Security benefits if they must work to make ends meet. How can we justify writing off $15 million in revenue next year from people from other countries who fly to the U.S., when American families get absolutely no relief from the egregious marriage penalty until 2005?

Mr. President, as I have said, there are many good provisions in this bill which reflect the hard work and difficult decisions that Chairman ROTH and the Finance Committee faced. They have worked hard to do the best we can for the American people who need and deserve relief from excessive taxation and a burdensome tax code.

I intend to vote for this bill, even though I know, as do my colleagues, that the President has pledged to veto both the Senate and House tax bills. Neither bill will ever become law, and the American people will never see a nickel's cut in their taxes, if the President has his way. That is the unfortunate reality that the conferees on this measure must recognize as they work to craft a meaningful tax relief bill that can be enacted and implemented for the benefit of the American people.

I will vote for this bill to move the process along and send this bill to conference with the House. What will matter at the end is that we focus on crafting a bill that can become law so that the American taxpayers get the relief they deserve and need. I have put forward a plan, described briefly here, that I believe can be a starting point for meaningful and achievable tax cuts. I urge the conferees on this legislation to focus on a conference agreement that the President will sign and that will become law this year. That is what the American people want and need.

Mr. DODD. Mr. President, I would like to take this opportunity to express my thoughts and observations on the Senate's consideration of S. 1429, The Taxpayer Refund Act of 1999.

Regrettably, in choosing to pass this bill, the Senate has missed a unique opportunity to provide Americans with long-term economic stability, improved retirement and health security for seniors, and targeted tax cuts for working families.

Instead, the Senate has adopted—along largely partisan lines—a package of reckless and fiscally irresponsible tax cuts that threatens our economic prosperity and short-changes our commitment to Social Security, Medicare, education, and other priorities.

Let me briefly express my concerns about this legislation in more detail.

First, it would harm the country's long-term economic prospects. I find it somewhat ironic that many of our Republican colleagues applaud Federal Reserve Chairman Greenspan's economic stewardship, yet choose to ignore his warnings about the ill-considered implications of their tax plan. In fact, the Chairman has made abundantly clear that this tax package will stimulate an economy that is already performing at a high level. That will only contribute to the kinds of inflationary pressures that have already caused the Fed to recently raise interest rates. The further irony, of course, is that, as we all know, an increase in interest rates acts as a hidden tax on taxpayers. So by contributing to a hike in interest rates, this tax package could actually have the effect of raising the cost of a mortgage loan, a car loan, a student loan, and so many other items upon which working families depend.

Second, S. 1429 fails the test of tax fairness. According to the Department of the Treasury, nearly 67 percent of the tax cuts would benefit the wealthiest 20 percent of families. Only 12 percent of the tax benefits are targeted at the bottom 60 percent of income earners. The bill contains estate tax relief that eases tax burdens for those with estates exceeding $10,000,000 in worth. Is this middle America? I don't believe so. Meanwhile, the Majority has once again refused to extend child care tax credits to people earning less than $28,000.

The Republicans stress the importance of securing the solvency of Social Security and Medicare. Again, it is a cruel irony that, at precisely the time early in the next century that Medicare is scheduled to become insolvent and Social Security surpluses are expected to disappear, the cost of the Majority's tax cut will begin to skyrocket to almost $2 trillion. As the baby boomers begin to retire and the solvency needle approaches zero, the Republicans have left virtually nothing to secure the viability of these important programs for future generations of retirees.

Drastic cuts to domestic and defense spending are a third consequence of this ill-conceived tax bill. It will have the effect, if not the intent, of crowding out investments in critical domestic and defense priorities. This bill assumes cuts in defense of $198 billion and cuts of $511 billion in discretionary priorities. As a result, 375,000 children would be cut from the Head Start program, 1.4 million veterans would be denied much needed medical services from VA hospitals, and approximately 1.25 million low-income tenants would lose rental subsidies in FY 2009. Even more troublesome is the fact that if defense spending is funded at the President's request, cuts in domestic spending would be as high as 40 percent.

Mr. President, I am deeply disturbed not only by the details of this tax plan but also by the erosion of the integrity of the budget process that it represents. It is premised on accounting gimmicks, false assumptions, and budgetary slights of hand to achieve its desired numbers on spending and revenues. That was tried in the 1980's, with disastrous results. In this decade, we have restored the integrity of the budget process. In some ways, that is an achievement almost as important as balancing the budget itself, since it has given confidence to taxpayers and financial markets that the Administration and Congress can keep its fiscal house in order. Now, with S. 1429, we risk simply squandering the gains that have been made. This distorted process using budgetary smoke and mirrors will, I fear, lead this nation down a precarious path in years to come.

This is not to say that I do not support some reasonable tax relief targeted at those who need it the most. But just as no family would leave for vacation without making sure that their bills could be paid, the Congress should not provide tax cuts without first meeting our obligations to

strengthen Social Security and Medicare, reduce the debt, and invest in defense and domestic priorities. What the supporters of this bill have done is essentially to buy a vacation without making sure they could pay for the necessities.

Senator MOYNIHAN's amendment struck the proper balance among these important obligations by devoting one-third of the surplus to discretionary spending, one-third to paying down the debt, and $290 billion in tax cuts for low and middle income Americans. It would have, among other provisions, increased the standard deduction for the 73 percent of Americans who claim the standard deduction, provided a 100 percent deduction for health insurance for the self-employed, and offered a 25 percent credit for employers who operate child care centers on site or who help employees pay the cost of off-site child care. This is broad-based tax relief targeted to the people who need it the most. While the Dodd-Jeffords amendment on child care was adopted by voice vote, regrettably the Moynihan amendment did not prevail. Nor did other important amendments. Chief among these was Senator KENNEDY's efforts to provide a much needed prescription drug benefit. Three-quarters of American seniors lack dependable private sector coverage of prescription drugs. Yet seniors increasingly rely on new and often costly medicines to preserve their health and prolong their life. In a bill providing $792 billion in tax breaks, I regret that the Senate could not find $49 billion for modest drug coverage for seniors.

My friend and colleague from Connecticut, Senator LIEBERMAN, along with Senator HOLLINGS, offered an important amendment that would have stricken all of S. 1429's provisions, effectively eliminating the tax cut for now. The surplus would have then been used to pay down the debt. I voted in favor of this amendment not as a statement against all tax cuts, but rather to support its message of fiscal responsibility and to express my utter opposition to the Majority's tax bill.

Mr. President, in simple terms, tax cut may be compared to apple pie. Everyone likes them. Everyone would like a slice. But we have other responsibilities. We should provide tax cuts, but we should take care of our other priorities as well. Especially now, when economic times are as good as they have been in our lifetimes, we should build a strong foundation for long-term prosperity by reducing the national debt, strengthening Social Security and Medicare, boosting our national defense, and investing in education, the environment, and other vital priorities. The bill that has just passed the Senate fails to do that. I remain optimistic that in conference we can craft legislation that is more faithful to our shared vision of future prosperity and stability for all Americans.

Mr. MCCONNELL. Mr. President, the amendment I submitted would reduce the capital gains holding period for horses from 24 months to 12 months and would correct an inequity in the tax code that has discriminated against the horse industry since 1969. Currently, all capital assets—with the exception of horses and cattle—qualify for the lowest capital gains tax rate if held for 12 months. This discrepancy in the tax code is simply not fair to the horse industry and must be changed.

The horse industry is extremely important to our economy, and accounts for thousands of jobs. Whether it is owning, breeding, racing, or showing horses—or simply enjoying an afternoon ride along a trail—one in thirty-five Americans is touched by the horse industry. In Kentucky alone, the horse industry has an economic impact of $3.4 billion, involving 150,000 horses and more than 50,000 employees.

What supports this industry is the investment in the horses themselves. Much like other businesses, outside investments are essential to the operation and growth of the horse industry. Without others willing to buy and breed horses, it is impossible for the industry to remain competitive. The 2-year holding period ultimately discourages investment, putting this industry—and the 1.4 million jobs it supports nationwide—at risk. Clearly, this is bad economic policy and must be changed.

The two-year holding period for horses is sorely outdated. It was established in 1969, primarily as an anti-tax shelter provision. Since then, there have been a number of changes in the tax code. Specifically, the passive loss limitations have been adopted, putting an end to these previous tax loopholes.

Although horses are categorized as livestock, they have an entirely different function than other animals, like cattle. While both are livestock, the investment in these two animals is entirely different. Beef is a commodity, with a finite and generally short life span. However, horses—whether they are used for racing, showing, or working—are frequently bought and sold multiple times over their longer life in order to maximize the return on the owner's investment. Additionally, once horses retire from the track or show arena, they continue to enhance their value through breeding.

The cost of my amendment will be completely offset by postponing for one year the 7.5 percent Air Passenger Ticket Tax that has been proposed on the frequent flier miles for persons with foreign addresses. Changes to the capital gains holding period for horses would go into effect in 2001 and the Air Passenger Ticket Tax would also go into effect in 2001.

There is no sound argument for distinguishing horses from other capital assets. The two-year holding period discriminates against the horse industry and must be reduced. I urge my colleagues to join me in correcting this unfair tax policy.

VETERANS HEALTH CARE

Mr. ROCKEFELLER. Mr. President, I filed a motion to protect veterans' health care because veterans are apt to be hurt by the tax reduction bill before us. I was joined in this effort by Senators MIKULSKI, BRYAN, DASCHLE, HARKIN, and BINGAMAN. Senator MIKULSKI, as vice chair of VA Appropriations Subcommittee, and my other cosponsors all understand what is at stake here. I did not proceed in offering this motion, however, because Senator WELLSTONE offered a similar motion.

The issue raised by my amendment still applies to this tax bill. It is very simple: approval of this $800 billion tax reduction bill leaves no ability to meet our obligations to veterans. If we spend all of the federal surplus on tax giveaways, there will be nothing left to fund veterans' health care.

In my view, the Senate Finance Committee needed to rethink this tax bill and reserve $8.5 billion over 5 years to appropriately fund VA health care.

This is simple math. My motion instructed the Finance Committee to provide for slightly more than 1 percent of the tax cut included in the bill before us. I want to repeat that—it would have set aside about 1 percent of the tax cut included in the bill for veterans.

The amount included in the motion—$8.5 billion over 5 years—has been fully justified by the Committee on Veterans' Affairs in its Views and Estimates letter to the Committee on the Budget.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 15, 1999.

Hon. PETE V. DOMENICI,
Chairman,
Hon. FRANK R. LAUTENBERG,
Ranking Minority Member,
Committee on the Budget, U.S. Senate,
Washington, DC.

DEAR PETE AND FRANK: Pursuant to section 301(d) of the Congressional Budget Act of 1974, the Committee on Veterans' Affairs (hereafter, ''Committee'') hereby reports to the Committee on the Budget its views and estimates on the fiscal year 2000 (hereafter, ''FY 00'') budget for veterans' programs within the Committee's jurisdiction. This report is submitted in fulfillment of the Committee's obligation to provide recommendations for programs in Function 700 (Veterans' Benefits and Services) and for certain veterans' programs included in Function 500 (Education, Training, Employment, and Social Services).

I. SUMMARY

VA requires over $3 billion in additional discretionary account funding in FY 00 to support its medical care operations: an additional $1.26 billion to meet unanticipated spending requirements; an additional $853.1 million to overcome the effects of inflation and other ''uncontrollables'' in order that it might maintain current services; and at least $1 billion in additional funding to better address the needs of an aging, and increasingly female, veterans population. At

this time, however, we limit our request to $1.7 billion in additional FY 00 medical care funding. We believe that this level of additional funding, coupled with ongoing VA efforts to gain efficiencies and passage of VA Medicare subvention legislation *this year*, will allow VA to meet veterans' medical care needs in FY 00.

With respect to mandatory account programs, the Budget Committee has already approved provisions of S. 4, the ''Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999,'' which will raise VA mandatory account spending by $3.8 billion over fiscal years 2000–2004. We do not request ''pay-go'' relief beyond that amount. We will, however, anticipate the availability of such funds in the event that S. 4 falters.

II. General Comments

We note at the outset that the Nation's veterans have already contributed significantly to the cause of fiscal restraint. On the mandatory account side, numerous money-saving measures, unanimously approved by the Committee's membership in both 1996 and 1997, were enacted into law as Title VIII of Public Law 105–33, the ''Balanced Budget Act of 1997.'' Relative to baseline assumptions then in effect, these measures are resulting in savings of $2.783 billion in mandatory account outlays over fiscal years 1998 through 2002. In addition, the statutory bar on VA compensation for disabilities stemming from in-service tobacco use, approved as section 8202 of the ''Transportation Equity Act for the 21st Century,'' Public Law 105–178, has resulted in net savings of $15.2 billion during fiscal years 1999 through 2003.

In addition to these mandatory account savings, the Balanced Budget Act froze veterans' programs discretionary spending outlays through fiscal year 2002. This freeze has required—and will continue to require at an accelerating pace—unacceptable cuts in veterans' discretionary spending, particularly medical care spending, even after projected third-party receipt/Medical Care Cost Recovery (MCCF) funds are collected. Whatever the merits of this plan when enacted, it was passed before budgetary surpluses has materialized. The freeze on medical care funding can no longer be justified. It must now be lifted.

Regrettably, the Administration has proposed a budget that would impose further cuts in veterans' medical care programs by freezing appropriated medical care funding at $17.306 billion, the FY 99 appropriation. Since VA anticipates an increase in MCCF receipts of only $124 million in FY 00, overall medical care spending would increase under the Administration's plan by less than 7/10's of 1%. This is unacceptable; after three years of flat-line medical care appropriations, VA requires, at minimum, a 10% (or $1.7 billion) increase in appropriated funding.

III. Discretionary Account Spending

A. Proposed Medical Care Spending

The standstill level of funding proposed by the Administration for FY 00 medical care spending is inadequate for VA to fulfill unanticipated spending requirements imposed on VA by events outside the Department's control. Indeed, the proposed flat-line budget will not even allow VA to maintain current services. Clearly, the budget will not permit VA to better address the single most pressing, and least met, medical need of the World War II/Korean War veteran generation: long-term care. Nor is it sufficient for VA to serve the growing cohort of female veterans. Thus, budget relief is imperative.

1. Unanticipated VA spending requirements—$1.26 billion

VA will require an additional $1.26 billion in FY 00 to meet care requirements which could not be anticipated when the Balanced Budget Act was enacted.

Hepatitis C treatment

Hepatitis C virus (HCV) is today the most common chronic bloodborne infection in the United States. The Centers for Disease Control and Prevention (CDC) reports highest prevalence rates among males aged 30–49 and intravenous drug users. VA studies now indicate that at least 20% of hospitalized veteran-patients test positive for HCV, twice the rate reported among the population generally.

No vaccine against hepatitis C exits, nor is there a cure. And while it is true that HCV was first identified in the late 1980's no treatment regime was generally recognized until last year, when a recommended drug therapy of interferon and ribavirin was approved. This drug therapy alone cost $13,200 per patient—costs that VA did not anticipate prior to approval of this treatment regime in late 1998. Related testing, biopsy and other costs amount to an additional $1,820 per patient.

VA anticipates that of the 3.3 million patients it will treat in FY 00, 36,300 will be candidates for HCV drug therapy. Taking into account the completion of treatments initiated in FY 99, VA will require an additional $625 million in FY 00 to respond to this unanticipated medical challenge.

Emergency medical services

VA currently provides enrolled veterans with a full range of hospital care and medical services. It does not, however, generally provide comprehensive emergency care services. Rather, VA patients must rely on insurance they may have to defray such expenses, or pay for such expenses themselves.

The Administration intends to propose legislation this year declaring that emergency care is a basic right of all Americans. Such legislation would, reportedly, require that all health care plans provide such care, as a matter of right, to the enrollees. In such circumstances, VA will be compelled to offer emergency care services to its enrollees, either directly or more likely, by reimbursing fees charged by other providers. Prior to the development of the Administration's proposal on the issue, VA had not anticipated the assumption of this added responsibility. Legislation requiring VA to pay for emergency care provided to veterans by non-VA medical facilities has already been introduced in the House and will be advanced in the Senate.

VA estimates the costs of providing emergency care services and subsequent hospital admission to VA enrolles will be $548 million in FY 00.

Weapons of mass destruction preparedness

In response to Public Law 105–114, VA has enchanced its role in assisting the Department of Health and Human Services (HHS) in stockpiling antidotes and other pharmaceuticals needed for response to potential domestic terrorist attacks with weapons of mass destruction. VA medical facilities are dispersed nationwide and thus, along with Department of Defense hospitals located within the continental U.S., they are natural depositories of drugs, supplies and other materials which might be needed to respond to such emergencies.

VA participation in preparatory activities is cost-efficient—but it is not without costs. Such costs, which had not been anticipated by VA prior to enactment of Public Law 105–114, will amount to $14.619 million in FY 00.

Increased prosthetic costs

VA expenditures in meeting the prosthetic device needs of its patients—needs which include not only artificial limbs and the like, but also more conventional aids such as hearing aids, eyeglasses, walkers, etc.—have increased markedly between 1993 and 1998, at annual rates of up to 18.90%. A portion of those increases are an unanticipated side effect of ''eligibility reform'' legislation, enacted in 1996, which allows VA to enroll all veterans, subject to available funding, for VA medical care. That legislation appears to have stimulated demand for VA services among persons needing such devices.

Even after general inflation is factored out, VA anticipates that its prosthetic device expenses will increase by a rate of 14.8%. VA will require an additional $74.075 million to defray these expenses in FY 00.

2. Current services—$853.1 million

We have closely observed VA's recent efforts to restructure to deliver health care services to the Nation's veterans more efficiently. Generally, we are satisfied with VA's effort, and we acknowledge that fiscal restraints have been—and will continue to be—a stimulus to change. Nonetheless, we believe that a fourth consecutive year of non-growth in the medical care budget would be destructive.

As anyone who pays medical bills or health insurance premiums knows, medical costs are rising. Payroll inflation, increases in the costs of goods, and other ''uncontrollables'' dictate funding increases of $853.1 million in FY 00 just to maintain current service levels.

Health care is an extremely labor-intensive enterprise; that is why VA is the largest civilian agency, in terms of employment, in the Federal government. Can labor efficiencies be wrung out of health care systems, VA included? Most assuredly so, as demonstrated by the annual shrinkage of VA's medical labor force (from 201,000 in FY 95 to 174,000 in FY 00) even as the number of veterans treated during that period increased by almost 40% (from 2.6 million to 3.6 million). But even with the shrinkage of VA's medical labor pool, VA's medical care payroll costs will increase by $562.6 million in FY 00 due to non-optional cost-of-living and within-grade salary and wage adjustments, and increases in Government-paid Social Security, health insurance, retirement, and other benefit costs.

Other inflation-related cost increases must also be borne by the Veterans Health Administration. While VA has implemented an aggressive pharmaceutical management program which has saved more than $350 million—making VA the model for Medicare, DOD and others to emulate—increases in VA's annual pharmaceutical costs, medical and non-medical supply costs, leased building space costs, and the like, will account for an additional $267.1 million. Finally, the Veterans Health Administration will be required to absorb an additional $23.4 million in other uncontrollable expenses (e.g., State home and CHAMPVA workload increases, storage and space requirements, additional calendar day costs, etc.)

It is imperative that the Budget Committee understand that requiring VA to absorb such cost increases continually must result, at some point, in cuts in the amount of care—or, more alarmingly, in the quality of care—which VA provides. We have documented serious quality problems, e.g., an increase in dangerous pressure ulcer sores, which appear to be directly associated with inpatient staffing shortfalls. With respect to outpatient care access, waiting times for appointments for routine services have reached 100 days or longer. Mental health services are simply unavailable at 60% of VA's outpatient clinics.

In short, VA operates in a national environment where medical care cost inflation exceeds the general inflation rate by a factor of more than two; if the medical care inflation rate, 3.6% were to be applied to VA's fiscal year 1999 medical care budget, on that

basis alone a funding increase of $650 million would be justified. Yet VA is required to—and is succeeding in—treating more patients with funding that is declining in real terms. Such a situation cannot persist into a fourth year without drastically affecting quality.

3. Unmet needs—$1 billion +

The foregoing discussion has focused on additional funding of $2 billion needed to meet unanticipated requirements and to maintain current services. Further funding increases of $1 billion or more are required to address the two largest unmet needs VA faces due to demographic shifts in the veterans' population: long-term care for aging World War II and Korea veterans, and maternity and reproductive health services for the growing number of female veterans.

Long-term care

In our view, the health care issue that VA must face over the intermediate term—indeed, the health care issue that the Nation must face over the next decade—is the need for long-term care among the aging World War II generation. WWII veterans saved Western civilization. We cannot turn our backs on them now.

The Budget Committee can anticipate an extended dialog with the Committee on Veterans' Affairs on this issue. For now, we advise that, at minimum, an additional $1 billion per year in funding will be necessary, starting in FY 00, to begin addressing the needs of VA patients who seek long-term care. For the most part, such funding would not be directed to new programs. Rather, it would be devoted to providing VA-supplied, State home-supplied, or VA- supported contract/community-based care. These programs are, in our view, effective. But they are grossly underfunded and do not begin to meet the WWII generation's need for long-term care services. In addition, we anticipate other initiatives—e.g., increased VA support for State veterans' homes in the form of both increased per diem payments and pharmaceutical supplies, and initiatives to transfer excess VA property in exchange for cash to support medical operations or discounted medical services to VA-eligible patients.

Maternity benefits and reproductive health services

Women now make up 13% of the active duty military. At lower ranks, the percentage of women serving is higher. For example, 20% of new recruits to the services other than the U.S. Marine Corps are now women. These women will become veterans, and VA must be prepared to meet their care needs. Such needs invariably include maternity benefits and reproductive health services since 62% of all women veterans are under the age of 45, when childbearing generally ends. Women who are drawn to service with a promise of benefits, and then induced to enroll for VA care with the promise of a full continuum of care, rightfully demand that their basic health care needs be met.

B. MEDICAL FACILITY CONSTRUCTION

As noted above, we are generally satisfied with VA's efforts to restructure the delivery of health care services. VA's construction programs, however, have not kept pace with changes needed to accommodate the structural reorganization. Older hospitals designed around an outmoded inpatient treatment model lack space to handle increased outpatient demand. In addition, such facilities generally fall far short of modern patient privacy, handicapped accessibility, fire sprinkler, and air conditioning standards. At best, these shortcomings hinder VA's ability to attract veterans into the system. At worst, they seriously compromise patient safety.

Two construction projects which would rectify such shortcomings warrant particular mention. The first is a $29.7 million outpatient clinic expansion at the VA Medical Center in Washington, DC, which was authorized by Public Law 105–368. The second is a relatively modest ($10.8 million) environmental improvements project at VA's Medical and Regional Office Center in Fargo, ND. That project would address asbestos removal, fire prevention, patient privacy, and handicapped accessibility needs. We particularly request funding for these projects in FY 00.

C. GENERAL OPERATING EXPENSES—VETERANS BENEFITS ADMINISTRATION

In a reversal of recent trends, in the last two years the Veterans Benefits Administration (VBA) has experienced increases in both the size of the pending compensation and pension case backlog, and the average ''age'' of cases which comprise the backlog. At the same time, the quality of VBA decision making has not improved sufficiently despite promises of improvements which were the rationale for a slowdown in case processing. Internal VA reviews indicate an error rate of 36%.

VBA requests $49 million in additional funding to support an FY 00 personnel increase of 164 FTE. These new hires would, according to VBA, join personnel shifted from other duties to yield a net addition of 440 staff devoted to adjudication functions. We have seen no specific plan which identifies the source of the majority of these transferred employees, so we must question whether this plan will actually materialize. We do, however, support VBA's request for an additional $49 million in funding to add new adjudication staff. In addition, we believe that the adjudication backlog must be attacked now using current staff in a one-time, targeted, and carefully controlled overtime effort.

IV. PROJECTED MANDATORY ACCOUNT SPENDING

A. EDUCATION ASSISTANCE PROGRAMS

As part of the ''Soldiers', Sailors', Airmens' and Marines' Bill of Rights Act of 1999,'' the Senate has already approved, without objection from the Budget Committee, the following improvements in VA educational assistance programs: An increase in monthly assistance payments (from $528 to $600 for veterans who served three-year enlistments, and from $325 to $429 for two-year enlistees); a repeal of the requirement that servicemembers contribute $100 per month for 12 months from base pay to ''buy'' eligibility; the allowance of a ''lump sum'' benefit at the beginning of a training term; and a provision allowing veterans to transfer benefits to a spouse and/or children. CBO has estimated that these provisions will result in additional mandatory account costs of $3.8 billion over fiscal years 2000–2004, and $13 billion over fiscal years 2000–2009.

Had this business been conducted in the regular order, these improvements would have been considered by the Committee on Veterans' Affairs, the committee of primary jurisdiction. Our committee, perhaps would have recommended a different mix of program improvements—e.g., the Commission on Servicemembers and Veterans Transition Assistance had recommended enactment of a tuition-reimbursment benefits program like that in force after World War II. We did not, however, impede these Armed Services Committee-reported measures, and we continue to support them. Of course, we reserve the right to revisit the issue within our committee irrespective of the fate of the ''Soldiers', Sailors', Airmens' and Marines' Bill of Rights Act of 1999.'' We almost certainly will do so should that legislation falter.

V. CONCLUSION

In summary, VA requires at least $1.26 billion in additional discretionary account funding to meet unanticipated spending requirements that have been thrust upon VA by events beyond VA's control; an additional $853.1 million to overcome the effects of inflation and other ''uncontrollables'' and maintain current services for eligible veterans; and at least $1 billion in additional discretionary account funding to begin to better address the needs of an aging, and increasingly female, veterans population. These needs total over $3 billion.

We do not request, however, that discretionary account ceilings be raised $3 billion+ for FY 00. While such an increase would be totally justified to make up for flat VA medical care funding levels over the last three years, we believe that recent budgetary restraints have stimulated needed reform. We believe, further, that VA can squeeze out yet more efficiencies in the way it provides health care, and we would not want to impede such reforms by requesting funding increases beyond VA's ability to absorb them without waste. Thus, we request that VA discretionary spending be allowed to increase by $1.7 billion for FY 00.

As for mandatory account spending, we do not, at this time, request a five-year ''pay-go'' waiver beyond the $3.8 billion already acceded to by the Budget Committee.

These views reflect our best judgment as of this date. If we can provide further assistance in your consideration of this report, please feel free to call on us.

Sincerely,

ARLEN SPECTER,
Chairman.
JOHN D. ROCKEFELLER, IV,
Ranking Minority Member.

Mr. ROCKEFELLER. Mr. President, it is a reasonable amount which covers $853 million in ''automatic'' costs such as inflation and wage increases. It also allows for new initiatives, such as the need to address the dramatic increase in deadly hepatitis C, particularly among veterans who served in Vietnam; emergency care; and the rising long-term care needs of World War II veterans.

The Conference Report on the Budget Resolution includes this number. And in an April 30, 1999, letter to the Appropriations Committee, 51 Senators are on record supporting it.

Even with the economic prosperity our country has recently begun to experience, if we approve the proposed huge tax cuts, or fail to adjust the budget caps, there simply will not be money left to increase the veterans' health care budget to what it needs to be.

I can assure my colleagues that further cuts will seriously jeopardize the quality of VA health care. Earlier this week, I spoke about the erosion of VA's programs to help veterans with special needs. Resource shortfalls have imperiled services for the spinal-cord injured, for blind veterans, for veterans in need of prosthetics, and for veterans in need of mental health care. Health care professionals within VA are overworked. Reductions-in-force have also become a reality for them.

In my own state, we are already seeing lapses in the availability of health

care. For example, at the Beckley VA Medical Center, approximately 400 new veterans are waiting to be seen in primary care. Approximately 500 veterans already in the system are on a waiting list for hearing evaluations. And the caseload in pharmacy has increased over 41 percent in the last year, with no increase in staffing, causing many veterans to wait two hours or longer to have a prescription filled.

At the Martinsburg VA Medical Center, veterans are waiting six months for a urology appointment. In the PTSD program, the number of beds have increased by 14 while the number of staff have been reduced, making one-on-one counseling very difficult.

At the Clarksburg VA Medical Center, current staffing has not kept pace with the demand for inpatient care, and veterans are too often referred to private hospitals because no beds are available at the VA.

In outpatient care at Clarksburg, the waiting times for an appointment in optometry and dermatology are approximately four months, and in urology, veterans are waiting seven months for an appointment.

There has been a recent proposal to close both the inpatient and outpatient surgical programs at the Huntington VA Medical Center and to refer veterans to a VAMC in Kentucky, over 130 miles away.

I can assure my colleagues that if these things are happening in the VA medical centers in my state of West Virginia—and trust me, they are—then you can be sure that they are occurring in the VA medical centers in your states, as well.

Staff at each of our VA medical centers have been stretched to the limit, and without additional funding, staffing will only get worse. The erosion of services and the huge reductions in staff have already put the veterans' health care system in serious jeopardy, and I cannot allow it to continue.

In summary, there is no doubt that we are at a precipice, and the fate of veterans and their families, as well as millions of other Americans, are threatened by this rush to enact hugely bloated tax giveaways.

Mr. President, I am pleased that a majority of the Senate recognized that the size of this tax bill would have jeopardized veterans' health care. As we proceed to conference, I now hope they will come to the same conclusion about other critical domestic programs and rethink this tax cut.

ALTERNATIVE FUEL VEHICLES

Mr. CHAFEE. I would like to engage the Chairman of the Finance Committee, Senator ROTH, and the Senator from Utah, Senator HATCH, in a colloquy regarding alternative fuel vehicles. As the chairman knows, Senator HATCH and I presented an amendment during the finance Committee's mark-up of the tax bill, to provide incentives for the sale and use of clean alternative motor fuels and alternative fuel vehicles. Although the amendment has not been included in the legislation we are considering today, I continue to believe that a tax bill should ultimately include these provisions.

As the Chairman and Senator HATCH know, the increased use of these fuels and vehicles will provide substantial environmental and energy efficiency benefits. The vehicles targeted for credits by our amendment are far less polluting than conventional cars and trucks. So, one result of our amendment would be improved air quality. One study of the effect of our proposal estimates that the number of natural gas vehicles in operation could more than triple by 2004, exceeding 250,000 vehicles. That number would continue to grow exponentially. These cars are so much cleaner than gasoline and diesel vehicles that our proposal could eliminate 58,000 tons of smog-forming emissions by 2004. That number would more than double by 2009. In order to accomplish that without alternative fuel vehicles, we would have to remove 1.5 million conventionally-fueled vehicles from the road.

Furthermore, each gallon of alternative fuel used in such a vehicle represents one less gallon of gasoline that we need to obtain from imported oil. The Department of Energy estimates that nearly three billion gallons of gasoline would be displaced, thus reducing our foreign oil dependence.

Mr. HATCH. The Senator from Rhode Island is correct. Millions of Americans live in areas that are not in compliance with air quality standards. The increased motor vehicle traffic anticipated in the four county Wasatch front in my home state of Utah will certainly push us toward non-attainment compliance problems. Promoting the increased use of alternative fuel vehicles is a viable option available to help Utah achieve our clean air objectives. Alternative fuel vehicles represent the cleanest vehicles in the world. Market-based incentives will help encourage the use of such vehicles. I am very pleased to be part of this effort with my colleagues from the Finance Committee and am looking into getting a natural gas car of my own at this very moment.

Mr. CHAFEE. The legislation Senator HATCH and I have drafted would address the problem that currently prevents these fuels and vehicles from competing on their own in the market. Incentives to make them less costly will stimulate demand and permit the economies of scale that are needed in order for them to gain more widespread use. Our proposal has been endorsed by a diverse group of stakeholders including the Natural Resources Defense council, the Union of Concerned Scientists, virtually all the major automobile manufacturers, and the American Gas Association. There is growing bipartisan support in the Senate for many of these concepts; on the Finance Committee, Senators ROCKEFELLER, BRYAN, and ROBB have all expressed support. I would ask Senator ROTH whether there might be an opportunity to consider this legislation and whether he would work with us toward its inclusion in a future tax package.

Senator ROTH. I thank my colleagues from Rhode Island and Utah for their hard work on this legislation. The bipartisan support for this proposal is impressive. This is legislation that could make an important contribution to the environment. I look forward to working with my colleagues on this effort.

Mr. BIDEN. Mr. President, it has taken a lot of tough choices here in Washington—and a lot of hard work and restructuring in the private economy—to put our country's budget into the black. For the first time in a generation, we have a balanced federal budget. And for the first time in our modern history, we can project substantial surpluses for the foreseeable future.

There were times I believed we would never see this day, Mr. President, but our official forecasts now call for as much as one trillion dollars in surplus over the next ten years. That's on top of the two trillion in Social Security surpluses that will build up over that same time, money that is already promised to future retirees.

I want to say something about whether we should count on those surpluses actually materializing, Mr. President, but first I want to talk about what most families I know would do if they woke up to the kind of windfall in their household budgets that we anticipate in our federal budget today.

Take your average family, Mr. President, with a mortgage, maybe paying for one or two children already in college, maybe another child with college still in his or her future. They have some debts, some worries about how to pay for a retirement that gets closer every year, some aspirations for their children that they may not be able to afford. Maybe Grandma and Grandad have moved in with them, bringing with them some health care problems that add to the family's expenses.

Let's assume that after years of spending more than they took in, our family finally turns the corner. Let's borrow a story from today's new high-tech economy and say that the stock they hold in their new start-up company has just jumped in value. They cannot be sure that the stock will stay that high next year, or the year after that, but they feel a whole lot richer than they did before.

Now let's picture the discussion around their kitchen table, with this new problem to discuss. I'm betting that most of the families I know in Delaware would make plans to pay down their past debts, the mortgage hanging over their heads, make provisions for their children's education, their parents' health needs, and their own retirement. Maybe, after they had taken care of those priorities, they would allow themselves to relax and enjoy a more affluent lifestyle.

Mr. President, I don't claim that this is a perfect analogy to the situation before us in the Senate. I certainly don't claim that for many hardworking Americans sensible tax relief is some kind of luxury. But I think it makes an important point, which is simply that most Americans would be a lot more cautious, and a lot more prudent, in using any anticipated surplus in their family budget.

Those are the priorities that I think should guide us in our deliberations today. We should take the opportunity given us with the expectation of future budget surpluses first to pay down the debt that has built up in a generation of deficit finance, then we should restore solvency to Social Security and Medicare, and then we should prevent further erosion in funding for national security, law enforcement, education, and the other basic functions of a space-age, high-technology, industrial economy.

I think we can do all that, Mr. President, and still provide tax relief to the millions of Americans whose hard work and sacrifice—through downsizing, restructuring, and all the rest—has been the real driving force behind the remarkable economy we enjoy today.

But as we all know, Mr. President, the forecasts on which our projected surpluses are based make a lot of assumptions. That's all well and good for making long-term economic projections. But it is not good enough, as far as I'm concerned, for making long term economic policy.

I ask my colleagues to listen to some of these assumptions, and to answer honestly if our country can really afford the nearly $800 billion tax cut before us today.

The surplus that is forecast assumes no major interruption in the economic growth we have enjoyed in what is now the longest economic expansion in our history. That unprecedented economic growth has kept revenues strong enough to meet and exceed our spending plans. But as Alan Greenspan has reminded us, it is not a question of if, but when, that growth will slow. Still, those who call for an $800 billion tax cut are basing policy on the false hope that inevitable day will never come.

Mr. President, the surplus that some of my colleagues want to use to pay for this tax cut also assumes that there will be no emergencies—no Bosnias, no Kosovos, no Iraqs, no hurricanes, no floods—that could increase spending, even though we regularly spend an average of $8 billion a year on such emergencies.

The surplus also assumes that we will continue deep cuts in national defense, in education, health care, law enforcement, in environmental protection. It assumes that we will continue to reduce spending beyond the current levels, levels that are already causing gridlock in our budget process this year. Right now, Mr. President, spending for the basic functions of government—as well as the number of people we pay to perform those functions, down more than 340,000 in the past seven years—are both at levels we have not seen since 1962.

We should recognize the hard work that achieved those low numbers, Mr. President. They are an important part of how we got to where we are today, with a balanced budget in hand, and surpluses in sight. As the private sector has become leaner and more efficient, the federal government has also moved in the same direction.

But we must also realize that national defense, the FBI, medical research, education, veterans' health care, air traffic control, water quality—all of those things we have learned to count on as citizens of the richest nation the world has ever known—combined now comprise just 6.5 percent of GDP. But the surpluses my colleagues expect to be there to pay for this tax cut depend on pushing that down to just 5 percent of GDP—a further cut of more than 20 percent.

But after years of defense cuts at the end of the Cold War, the Pentagon is asking for substantial increases to meet future threats. I agree with those who see the need for further investments in our nation's defense. If we actually increase defense spending to meet that request, we would have to cut the remaining functions of the federal government by almost forty percent.

Now, Mr. President, I hear a lot of calls for responsible budgeting these days, but I don't hear many people calling for cutting forty percent from our law enforcement, education, or health care programs. For example, cuts of those size would eliminate health care for 1,430,000 of our country's veterans. Cuts of that size would eliminate $6.0 billion from the research into cancer and other diseases at the National Institutes of Health. Cuts of that size would require the FBI to cut over 4,000 agents from its current force of 10,600.

That's what a $800 billion tax cut would require, Mr. President—either cuts of unacceptable size in basic services, or, just as bad, we would simply return to the destructive path of deficit spending.

Mr. President, one thing that ought to sober us up is what Alan Greenspan has been saying about delaying any tax cut until the surpluses actually materialize, until a downturn in the economy might justify the boost that would come from a tax cut. Twice he has come here to Congress in the past two weeks, to tell us that he continues to be concerned about our economy overheating, and that he is prepared to bump interest rates up again to prevent that from happening.

Every American with a mortgage should think long and hard about the trade off between a tax break now and the long term costs that an increase in interest rates would mean. The Treasury Department estimates that a household in the lower 60 percent of the population—10 percent above the middle and on down—would get just an average of $174 a year from the tax plan before us today. But a one percent increase in a 7 percent mortgage on a $250,000 house amounts to over $2,000 a year in additional payments. That is not a deal any informed American would take, Mr. President.

If Greenspan thinks the economy is already at risk of overheating, imagine his reaction if we throw an $800 billion tax cut into his calculations the next time he considers increasing interest rates.

Everybody here knows that low interest rates and low inflation have been the keys that have unlocked the potential of our economy. I can't think of anything more likely to throw both of those keys out the window than a return to unbalanced budgets.

That is why I will oppose a tax cut of the size before us here today. Not because Americans don't deserve tax relief—of course they do. But they also deserve our best judgement about how we manage the public finances of their country after so many years of deficit financing. And as far as I'm concerned, I'll take my guidance from the common sense of the average American family, and put first the priorities of debt reduction, Social Security and Medicare, funding national security and law enforcement, education and health care, and then, a more prudent, sensible tax cut.

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

Title III, subtitle E, sec. 345—Protection of Investment of Employee Contributions to 401(k) plans—(b)(1)(A).

Title III, subtitle F, sec. 351—Periodic Pension Benefits Statements—(b)(1)(A).

Title III, subtitle F, sec. 356—Notice and Consent Period Regarding Distributions—(b)(1)(A).

Title III, subtitle G, sec. 369—Annual Report Dissemination—(b)(1)(A).

Title III, subtitle H, sec. 371—Provisions Relating to Plan Amendments—(b)(1)(A).

Title IV, sec. 407—Federal Guarantee of School Construction Bonds by Federal Home Loan Banks—(b)(1)(A).

Title IX, sec. 905—Advance Pricing Agreements Treated as Confidential Taxpayer Information—(b)(1)(A).

Title X, subtitle C, sec. 1071—Study Relating to Taxable REIT Subsidiaries—(b)(1)(A).

Title XIV, sec. 1401—Amendments Relating to Tax and Trade Relief Extension Act of 1998—(b)(1)(A).

Title XIV, sec. 1402—Amendment Related to Internal Revenue Service Restructuring and Reform Act of 1998—(b)(1)(A).

Title XIV, sec. 1403—Amendments Related to Taxpayer Relief Act of 1997—(b)(1)(A).

Title XIV, sec. 1404—Other Technical Corrections—(b)(1)(A).

Title XIV, sec. 1405—Clerical Changes—(b)(1)(A).

Mr. HELMS. Mr. President, I genuinely appreciate the courtesy of the distinguished Chairman of the Finance Committee (Mr. ROTH) for allowing me to discuss an innovative new technology more readily available to the dry cleaning industry.

Dr. Joe DeSimone, an highly-respected professor on the faculties of both the University of North Carolina at Chapel Hill and N.C. State University in Raleigh has developed an environmentally safe way to dry clean clothes while eliminating the millions of pounds of toxic solvents currently now being used to clean clothes, and, at the same time, advancing more energy-efficient technology. This procedure would dramatically reduce the dry cleaning industry's reliance on hazardous chemicals as solvents.

My amendment will allow for a 20 percent tax credit to new and existing dry cleaners who purchase the equipment which uses non-toxic solvents. The equipment includes both wet cleaning and liquid carbon dioxide cleaning systems which are now readily available. In fact, the EPA recently published a case study extolling the benefits of carbon dioxide technology.

The Joint Tax Committee estimates the tax credit would decrease revenues by a little more than $500 million during the next 10 years. I find this a modest price to pay considering the amount Americans rely on dry cleaners and by the fact that so many of these Americans bring potentially hazardous chemicals into their homes when they dry clean their clothes.

I believe that clarification of a Treasury regulation's application to an international tax treaty would provide an ample offset for this tax credit. Let me briefly explain the current situation:

Just this month, a judge in New York overturned 19 years of tax treaty policy. The judge ruled that an existing regulation that permits the Treasury to allocate interest based on a company's worldwide operations did not comply with the 1980 treaty. I disagree. The regulations allowed the U.S. Treasury to disallow abusive tax strategies and make sure that these companies pay their fair share of taxes. Tax treaties are never intended to be a means to avoid taxes, simply a means to prohibit double taxation. This amendment will continue this policy and avoid a rush for billions of dollars in tax refunds by international corporations.

Mr. President, I ask unanimous consent that an article from the July 9 edition of The New York Times entitled ''British Bank Wins Dispute With the IRS'' be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. HELMS. Unfortunately, Mr. President, under the rules of the budget act, my amendment is subject to a point of order. However, I do appreciate the willingness of Chairman ROTH to work with me to find a way to make this tax credit a reality.

EXHIBIT 1

[From the New York Times, July 7, 1999]

BRITISH BANK WINS DISPUTE WITH THE I.R.S.

JUDGE RULES TAX TREATY SUPERSEDES REGULATION

(By David Cay Johnston)

In a stunning defeat for the Internal Revenue Service's efforts to restrict strategies that foreign corporations employ to avoid taxes, a Federal judge ruled in favor of National Westminister Bank P.L.C. of Britain in its demand for a $180 million tax refund.

Lawyers who specialize in international corporate tax said yesterday that the decision would prompt more foreign companies to challenge the I.R.S. in future cases and to press for favorable rulings on issues currently in dispute.

Judge James T. Turner of the United States Court of Claims ruled Wednesday that the I.R.S had violated a 1980 tax treaty between the United States and Britain by refusing to allow NatWest to deduct interest on loans from its home office and Hong Kong operations to its American branches from 1981 to 1987.

In effect NatWest was taking money from one pocket, in, say, Hong Kong, and lending it to another pocket in, say, New York. Doing this allowed the bank to reduce its profits, and thus its taxes, in the United States and to shift profits to places, like Hong Kong, where tax rates are lower.

The 1980 tax treaty allowed NatWest and all other British banks to take such deductions. NatWest contended that under the tax treaty its American branch must be treated as a separate company and not just another pocket in its worldwide operations.

But the Treasury Department, ever on the alert for abusive tax strategies, issued a regulation shortly after the treaty took effect allowing the I.R.S. to disregard any deductions deemed excessive. The regulation lets the I.R.S. apply a complicated formula to allocate interest based on a company's worldwide operations.

But, Judge Turner wrote, the Treasury regulation is ''fundamentally incompatible'' with the tax treaty and must be ignored. In his 21-page decision, he also castigated the United States for its conduct, quoting in detail from written promises made during the treaty negotiations and other documents to show that NatWest was justified in relying on the tax treaty in preparing its corporate tax returns for the I.R.S.

The judge said the regulation ''plainly violates'' the tax treaty and he characterized the reasoning behind it as ''fundamentally flawed.''

He did not award the $180 million, plus interest, to NatWest, however. Instead, Judge Turner ruled in the bank's favor on the issue in a pretrial hearing.

Tax lawyers said the United States can now appeal the judge's ruling, continue the case and then appeal the entire case, or go to Congress for relief or give up.

The case may cause a stampede by other foreign banks to recover billions of dollars in taxes paid when their interest deductions were curtailed. More broadly, the case is an important development in a growing global battle between multinational corporations, which want to take profits and pay taxes in countries of their choice, and national governments that would be protect the integrity of their tax regimes and maximize tax revenues, a variety of tax lawyers said yesterday.

''This is a tremendously important decision, although it specifically involves a backwater of the issues about global corporate taxation,'' said Richard E. Andersen of the law firm Jones, Day, Reavis & Pogue. He said the size of the award, expected to ultimately be the full $180 million plus interest that NetWest sought, and the ''drubbing'' the I.R.S. took from the judge ''will force the I.R.S. to think hard about thumbing their nose at this because if they do, they will have to devote a lot of legal resources to fighting other cases on similar issues and they will probably lose.''

Mr. Andersen and other lawyers said that because of its enormous market the United States had been able to ''get away with'' ignoring tax treaties. ''The fact is no bank has withdrawn from the U.S. because of this issue,'' he said.

Arthur D. Pasternak, an international tax specialist at Gibson, Dunn & Crutcher, said that ''the I.R.S. has this no-cheating concept that, to its credit, it tends to apply evenly to American and foreign corporations operating in the United States.''

''And the I.R.S. has become much more aggressive in recent years in fighting what it regards as using tax treaties for aggressive tax avoidance,'' he said. ''The general rule is that the United States Government has been saying that statutes passed by Congress can override existing treaties, but this case shows that mere regulations can't override treaties.''

Sydney E. Unger, chairman of the tax department at Kaye Scholer Fierman Hays & Handler in New York, said that foreign corporations operating in the United States were a convenient target for American politicians and that the regulation the judge ruled on illustrated this.

''Fundamentally, there has been a sense at Treasury and among politicians that foreign entities with operations in the United States are not paying their far share of tax,'' Mr. Unger said. ''Whether that is true or not, certainly it is a wonderful issue for American politicians and for Treasury officials to want to pursue because it's about taxing someone else, who doesn't vote.''

Inland Revenue, the British tax agency, filed a friend-of-the-court brief supporting NatWest.

Jerome Libin, a tax specialist in the Washington office of Sutherland Asbill & Brennan who filed the brief, said that Inland Revenue believed that even if NatWest's interest deductions were dubious—and that point was not conceded—the deductions still had to be allowed under the tax treaty.

Mr. Libin won a similar case three years ago in United States Tax Court over a tax treaty with Canada, but that case involved allocating income, while the NatWest case involved allocating deductions.

He said that in newer tax treaties the United States had sought to reserve a right to disallow deductions if it could show that they were abusive.

One of NatWest's lawyers, Jerry Snider of Davis Polk & Wardwell, called Judge Turner's decision ''a terrific, thorough and carefully written opinion.''

The Internal Revenue Service declined to comment or even to make documents available. It referred questions to the Treasury Department, where a spokeswoman, Maria Ibanez, offered to make a senior official available for an interview on condition that he neither be identified nor quoted directly. That offer was declined.

The Justice Department said last night that senior officials who could discuss the case had left and could not be reached for comment.

NatWest sold its American retail branches to the Fleet Corporation of Boston in December 1995.

Mr. ROTH. Mr. President, I appreciate the courtesy of the Senator from

North Carolina in working with us to expedite consideration of the Taxpayer Refund Act by not asking for a roll call vote in relation to his amendment. This is certainly an interesting idea, and my staff and I look forward to working with him in the future to explore the possibility of a drycleaning equipment tax benefit.

REPUBLICAN TAX CUT PLAN

Mr. BYRD. Mr. President, I will vote against this Republican tax cut plan. I cannot conceive of a more ill-advised fiscal plan for the Nation over the next 10 years than the Republican tax cut bill. I say this for a number of reasons.

Having seen the National debt explode from less than $1 trillion on the day that President Reagan took office to over $5.6 trillion today, we should have learned that the supply-side economic theories of the Reagan-Bush years, which called for massive tax cuts together with a massive defense build-up, while at the same time balancing the federal budget, are pure, unadulterated hogwash. They didn't work then; they won't work now.

Thankfully, due to a number of factors—for example, the fiscal policies of the Federal Reserve, and improvements in the productivity of the Nation's businesses—we have been able not only to stem the tide of red ink that ran into the triple-digit billion-dollar levels for each of the Reagan-Bush years but, if the latest projections of both the OMB and CBO pan out, we also can look forward to huge federal surpluses each year as far as the eye can see. That's good news, if those projections come true and if Congress is able to withstand another round of tax cut fever.

The Congressional Budget Office projects surpluses over the next ten years (FY 2000–2009) totaling nearly $3 trillion. Of that amount, about $2 trillion would be surpluses in the Social Security Trust Fund, and the other $1 trillion ($996 billion to be exact) would be non-social security surpluses. However, a closer look at these non-social security surpluses projected by CBO over the next ten years, reveals that they rest on a very shaky foundation. The fact is, these non-social security surpluses which are projected to total $996 billion, are based in large part on huge cuts in investments and national priorities—such as national security, veterans' medical care, the FBI and other crime-fighting programs, the environment, agriculture, border patrol agents, health research, education, and many other critical programs. Of the $996 billion in non-social security surpluses projected by CBO for the next 10 years, $595 billion results from real and devastating cuts in these national priorities. As if that were not bad enough, the Republican tax cut plan calls for additional cuts of some $180 billion to these same programs. That makes a total of $775 billion in cuts in these national investments over the next 10 years. That is what is being proposed in the Republican tax cut bill now before the Senate. Furthermore, the Republican tax cuts of $792 billion would, if enacted, also result in increased interest on the Federal Debt over the next 10 years totaling $179 billion. In reality, then, the Republican tax cut bill eats up $971 billion of the $996 billion in projected non-social security surpluses over the next 10 years, leaving only $25 billion remaining.

We should heed the advice of Federal Reserve Chairman Greenspan in his testimony before Congressional Committees when he advised caution when considering what to do with these projected surpluses. In the first place, it is extremely unlikely that these projections will come true. The fact is that CBO's estimates of revenues over the past two decades have been off by an absolute average of $38 billion per year; their estimates on spending over that period have been off by $36 billion per year; and their deficit/surplus projections have been off by an absolute average of $54 billion per year over the past two decades. If these averages hold up over the next 10 years, the trillion-dollar non-social security surpluses could be slashed by $540 billion purely due to mis-estimates by the Congressional Budget Office. Further, as CBO states in virtually every report that they publish, cyclical disturbances such as recessions, changes in interest rates, inflation, etc., could have significant effects on their projected surpluses at any time during the projection period.

Then, there is the question of emergency spending. As Senators are aware, under the Budget Enforcement Act, unforeseen emergencies, which cannot be predicted accurately and, therefore, are not budgeted, are allowed to be funded outside the spending caps that have been in place since 1990 and which will remain in place through FY2002. The fact is, emergency spending over the past decade (other than spending for Desert Storm/Desert Shield and the $21 billion in emergency spending in the FY1999 Omnibus Appropriations Act) has averaged $8 billion per year. In other words, but for those two instances, Congress has enacted spending outside of the budgetary caps for such things as disaster assistance to the nation's farmers, relief for victims of floods, hurricanes, tornadoes, and earthquakes, as well as assistance for victims of similar occurrences overseas.

That type of assistance has averaged $8 billion per year since 1990. There is no indication that these natural disasters will suddenly cease. To the contrary, there is substantial evidence that they have become more frequent and more severe in the latter part of this Century. What does this mean? It means that it is highly likely that over the next decade, at least $80 billion in emergency spending will be needed. But, keep in mind that the $996 billion in non-social security surpluses projected by CBO, the large bulk of which results from real cuts in national priorities, does not allow for any emergency spending over the next 10 years. That being the case, wouldn't it be prudent to reduce the $996 billion projection by at least the $80 billion historical average per decade that we have seen in the past? After so doing, even if Congress and the Administration agreed to the $775 billion of cuts in purchasing power for national priorities that the Republican tax cut bill requires, there would not be sufficient surpluses remaining to cover this Republican tax cut plan without either reverting back into deficit spending, or repealing the tax cut, or dipping into the Social Security Trust Fund surpluses.

Next, let's look at the question of whether Congress can, or should, stay within the existing spending caps for FY2000, much less the more difficult caps of FY2001 and FY2002. One need only pick up the morning newspaper on any one of the past several days to find an article or two discussing the progress, or lack thereof, that the Appropriations Committees are making in completing action on the FY2000 funding bills. Recently, it is reported, the House Appropriations Committee found that the VA–HUD Subcommittee could not stay within its allocations without declaring some $3 billion in funding for VA medical care, as well as $2.5 billion in FEMA funding, as ''emergency'' spending, which as I have explained earlier, does not count against the spending caps, but will, nonetheless, decrease the surplus. Additionally, some $4.5 billion has been declared emergency spending for the Decennial Census by the House Appropriations Committee. Those three items alone, if enacted as emergency spending, will cut the projected FY2000 surplus by $10 billion. Furthermore, as CBO points out on page 6 of their mid-Session Review, they have been directed by the Budget Committees to reduce their outlay projections in FY2000 by $10 billion for defense, $1 billion for transportation, and $3 billion for other non-defense programs. That knocks another $14 billion dent in CBO's non-social security surplus projections for FY2000. On that same page, CBO also points out that their non-social security surplus projections exclude some $3 billion per year in spending for the administrative expenses of the Social Security Administration. When all of these factors are taken into account, for FY2000, actions by Congress to date have already added emergency spending of some $10 billion; and have increased outlays by $14 billion. This $24 billion, together with the $3 billion in administrative expenses for the Social Security Administration, means that Congress is likely to not only spend all of the $14 billion FY2000 non-social security surplus projected by CBO, but, actually, to exceed it by at least $13 billion. In other words, it is highly likely that for FY2000 alone, Congress and the Administration will enact spending levels which will not only use up the entire $14 billion non-social security surplus projected for that year,

but will also eat into the Social Security Trust Fund surpluses by at least $13 billion. So much for the Social Security Lock-box! Congress has already found the key that unlocks it. What about next year, when the spending caps are much tougher to stay within? Is one to believe that Congress will make the Draconian cuts in national priorities that would be called for to stay within the Republican tax plan? If not, further erosion of these projected surpluses will occur. Keep in mind that once tax cuts are enacted, those revenues are gone, and can only be retrieved by repealing the tax cuts. Does anyone think that Congress will do that in an Election Year? If not, then it is a foregone conclusion that the surplus projections for even the upcoming three fiscal years, to say nothing of the remaining seven years of the next decade, will be eaten away because they are based on virtually impossible, and extremely unsound, cuts in spending on national priorities. Keeping two sets of books, as the Republicans are attempting to do, won't fool the American people for very long.

In closing, Mr. President, let me quote from the text of a recent statement by 50 of the Nation's most revered economists, including six Nobel laureates, concerning the tax cuts now before the Senate.

The federal budget is projected to show substantial surpluses over the next 15 years. These surpluses offer an exceptional opportunity to pay down government debt and thereby strengthen Social Security and Medicare in order to prepare for the retirement of the baby boomers. . . .

In contrast, a massive tax cut that encourages consumption would not be good economic policy. With the unemployment rate at its lowest point in a generation, now is the wrong time to stimulate the economy through tax cuts. Moreover, an ever growing tax cut would drain government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare. Further, the projections assume substantial undesirable reductions in real spending for non-entitlement programs, including important public investments. Given the uncertainty of long-term budget projections, committing to a large tax cut would create significant risks to the budget and the economy.

Mr. President, it could not be any clearer to any rational human being that this Republican tax cut plan is exactly the wrong fiscal blueprint for the Nation as we enter the next Millennium. As I have shown, it is highly unlikely that these forecasts will come true. Even if they do, some $80 billion in emergency spending for natural disasters has not been accounted for; another $30 billion in administrative costs of the Social Security Administration has not been accounted for; and the budget caps for FY2000 alone are likely to be exceeded by over $20 billion. Now is not the time to return to the failed economic policies that prevailed during the Reagan-Bush years. Rosy Scenario in all her splendor could not make their policies work. The same is true of the policies that would be undertaken if we were to enact this Republican tax cut.

Mr. KENNEDY. Mr. President, very few decisions we make in Congress will have more impact on the long-term economic well-being of our nation than how we allocate the projected surplus. By our votes this week, we are setting priorities that will determine whether the American economy is on firm ground or dangerously shifting sand as we enter the 21st century. These votes will determine whether we have the financial capacity to meet our responsibilities to future generations, and whether we have fairly shared the economic benefits of our current prosperity. Sadly, the legislation before us today fails all of these standards. We should vote to reject it.

A tax cut of the enormous magnitude proposed by our Republican colleagues would reverse the sound fiscal management which has created the inflation-free economic growth of recent years. That is the clear view of the two principal architects of our current prosperity—Robert Rubin and Alan Greenspan. Devoting the entire on-budget surplus to tax cuts will deprive us of the funds essential to preserve Medicare and Social Security for future generations of retirees. It will force harsh cuts in education, in medical research, and in other vital domestic priorities. This tax cut jeopardizes our financial future—and it also dismally flunks the test of fairness. When fully implemented, the Republican plan would give 75% of the tax cuts to the wealthiest 20% of the population. The richest 1%—those earning over $300,000 a year—would receive tax breaks as high as $23,000 a year, while working men and women would receive an average of only $139 a year.

Republicans claim that the ten year surplus is three trillion dollars and that they are setting two-thirds of it aside for Social Security, and only spending one-third on tax cuts. That explanation is grossly misleading. The two trillion dollars they say they are giving to Social Security already belongs to Social Security. It consists of payroll tax dollars expressly raised for the purpose of paying future Social Security benefits. Using those dollars to fund tax cuts or new spending would be to raid the Social Security Trust Fund. The Republicans are not providing a single new dollar to help fund Social Security benefits for future generations. They are not extending the life of the Trust Fund for even one day. It is a mockery to characterize those payroll tax dollars as part of the surplus.

That leaves the $996 billion on-budget surplus as the only funds available to address all of the nation's unmet needs over the next ten years. Republicans propose to use that entire amount to fund their tax cut scheme. Since CBO projections assume that all surplus dollars are devoted to debt reduction, the $996 billion figure includes nearly $200 billion in debt service savings. The amount which is available to be spent—either to address public needs or to cut taxes—is only slightly above $800 billion. Their $792 billion tax cut will consume the entire surplus.

Even more troubling, the Republican tax cut has been designed to expand dramatically beyond the tenth year. The cost between 2010 and 2019 will dwarf the cost in the first decade. It will rise from $800 billion to $2 trillion dollars. And the cost of the debt service payments necessitated by a tax cut of that magnitude will grow exponentially as well. The GOP plan will usher in a new era of deficits—just as the baby boom generation is reaching retirement age.

While the Senate Rules have been invoked to prevent the current tax cut from going beyond ten years, the Republican leadership has made clear their intent to make these massive cuts permanent. If these tax cuts were to become permanent, they would precipitate a genuine fiscal crisis.

Most Americans understand the word ''surplus'' to mean dollars remaining after all financial obligations have been met. If that common sense definitions is applied to the federal budget, the surplus would be far smaller than $996 billion.

We have existing obligations which should be our first responsibility. We have an obligation to preserve Medicare for future generations of retires, and to modernize Medicare benefits to include prescription drug assistance. The Republican budget does not provide one additional dollar to meet these needs.

The American people clearly believe that strengthening Social Security and Medicare should be our highest priorities for using the surplus. By margins of more than two to one, they view preserving Social Security and Medicare as more important than cutting taxes.

We should use the surplus to meet these existing responsibilities first, in order to fulfill the promise of a secure retirement with access to needed medical care.

If we do nothing, Medicare will become insolvent by 2015. The surplus gives us a unique opportunity to preserve Medicare, without reducing medical care or raising premiums. The Republican tax cut would take that opportunity away. It would leave nothing for Medicare.

We must seize this opportunity. Senate Democrats have proposed committing one-third of the surplus—$290 billion over the next ten years—to strengthening Medicare and to assisting senior citizens with the cost of prescription drugs. The Administration's 15 year budget plan provides an additional $500 billion for Medicare between 2010 and 2014. Enactment of the Republican tax cut would make this $800 billion transfer to Medicare impossible. If we squander the entire surplus on tax breaks, there will be no money left to keep our commitment to the nations' elderly.

Unless we use a portion of the surplus to strengthen Medicare, senior citizens

will be confronted with nearly a trillion dollars in health care cuts and premium increases. We know who the people are who will be asked by the Republicans to carry this enormous burden.

The typical Medicare beneficiary is a widow, seventy-six years old, with an annual income of $10,000. She has one or more chronic illnesses. She is a mother and a grandmother. Yet the Republican budget would force deep cuts in her Medicare benefits, in order to pay for new tax breaks for the wealthy. As a result, elderly women will be unable to see their doctor. They will go without needed prescription drugs, or without meals or heat, so that wealthy Americans earning hundreds of thousands of dollars a year can have additional thousands of dollars a year in tax breaks.

The projected surplus also assumes drastic cuts in a wide range of existing programs over the next decade—cuts in domestic programs such as education, medical research, and environmental cleanup; and cuts in national defense. We have an obligation to adequately fund these programs. If existing programs merely grow at the rate of inflation over the next decade and no new programs are created and no existing programs are expanded, the surplus would be reduced by $584 billion dollars. That is the amount it will cost to merely continue funding current discretionary programs at their inflation-adjusted level. In fact, the real surplus over the next ten years is only slightly above $200 billion, roughly one-quarter the size of the proposed Republican tax cut.

In other words, the Republican tax cut would necessitate more than a twenty percent across the board cut in discretionary spending—in both domestic and national defense—by the end of the next decade. If defense is funded at the Administration's proposed level, and it is highly unlikely that the Republican Congress will do less, domestic spending would have to be cut 38% by 2009. No one can reasonably argue that cuts that deep should be made, or will be made.

We know what cuts of this magnitude would mean in human terms by the end of the decade. We know who will be hurt: 375,000 fewer children will receive a Head Start; 6.5 million fewer children will participate in Title I education programs; 14,000 fewer biomedical research grants will be available from the National Institutes of Health; 1,431,000 fewer veterans will receive V.A. medical care; and there will be 6,170 fewer Border Patrol agents and 6,342 fewer FBI agents insuring safer communities. These are losses that the American people are not willing to accept.

The Democratic alternative would restore $290 billion, substantially reducing the size of the proposed cuts. A significant reduction would still be required over the decade. One thing is clear—even with a bare bones budget, we cannot afford a tax cut of the magnitude the Republicans are proposing.

Our Republican friends claim that these enormous tax cuts will have no impact on Social Security, because they are not using payroll tax revenues. On the contrary, the fact that the Republican budget commits every last dollar of the on-budget surplus to tax cuts does imperil Social Security.

First, revenue estimates projected ten years into the future are notoriously unreliable. As the Director of the Congressional Budget Office candidly acknowledged:

> Ten year budget projections are highly uncertain. In the space of only six months, CBO's estimate of the cumulative surplus has increased by nearly $300 billion. Further changes of that or a greater magnitude are likely—in either direction—as a result of economic fluctuations, administrative and judicial actions, and other developments.

Despite this warning, the Republican tax cut leaves no margin for error. If we commit the entire surplus to tax cuts and the full surplus does not materialize, Social Security revenues will be required to cover the shortfall.

Second, even if the projected surplus does materialize, the cost of the Republican budget exceeds the surplus in five of the next ten years—2005, 2006, 2007, 2008, and 2009. Unless the Republican proposal is restructured, Social Security revenues will be required to cover the shortfall in each of those years.

Third, the Republican tax cut leaves no money to pay for emergency spending, which has averaged $9 billion a year in recent years. Over the next decade, we are likely to need approximately $90 billion to cover emergency needs. That money has to come from somewhere. With the entire surplus spent on tax cuts, the Social Security Trust Fund will have to fund these emergency costs as well.

The three threats to Social Security I have described are very real. However, there is an even greater impact of the Republican plan on the future of Social Security. As I noted earlier, that plan does not provide Social Security with a single new dollar to fund future benefit payments.

In contrast, the Administration has proposed using a major portion of the surplus to strengthen Social Security for future generations of retirees. Beginning in 2011, the President's budget allocates to Social Security the savings which will result from debt reduction. Between 2011 and 2014, the Social Security Trust Fund would receive 543 billion new dollars from the surplus, and it would receive an additional $189 billion each year after that. As a result, the solvency of Social Security would be extended for a generation, to well beyond 2050.

The Republican tax cut proposal, which costs over $2 trillion between 2010 and 2019, will consume all of the surplus dollars which were intended for Social Security. There will be nothing left for Social Security. As a result, no new dollars will flow into the Trust Fund, and the future of Social Security will remain clouded.

For two-thirds of America's senior citizens, Social Security retirement benefits provide more than 50% of their annual income. Without Social Security, half the nation's elderly would be living in poverty. Social Security enables millions of senior citizens to spend their retirement years in security and dignity. A Republican tax cut of the magnitude proposed here today will put their retirement security in serious jeopardy.

The votes which we cast this week—the choices which we are required to make—will say a great deal about our values. We should use the surplus as an opportunity to help those in need—senior citizens living on small fixed incomes, children who need educational opportunities, millions of men and women whose lives may well depend on medical research and access to quality health care. We should not use the surplus to further enrich those among us who are already the most affluent. The issue is a question of fundamental values and fundamental fairness.

The Republican tax cut would consume the entire surplus, and distribute the overwhelming majority of it to those with the highest incomes. The authors of the Republican plan have highlighted the reduction of the 15% tax bracket to 14%. They have pointed to this as middle class tax relief. But that relief is only a small part of the overall tax breaks in their bill. It accounts for only $216 billion of the $792 billion in GOP tax cuts. Most of the remaining provisions are heavily weighted toward the highest income taxpayers.

If the Republican plan were enacted and fully implemented, nearly 50% of the tax benefits would go to the richest 5% of taxpayers, and more than 75% of the benefits would go to the wealthiest 20%. Those with annual incomes exceeding $300,000 would receive tax breaks of $23,000 per year. The lowest 60% of wage-earners would share less than 11% of the total tax cuts—they would receive an average tax cut of only $139 per year. That gross disparity is unfair and unacceptable.

This is not the way the American people want to spend their surplus. I urge my colleagues to reject this bill. The American people deserve better than this.

Mr. DASCHLE. Mr. President, as the debate on the Senate's version of the reconciliation tax bill winds down, I wanted to come to the floor and say a few words about where we are in this process, how we got here, and where I think we ought to go.

Let me begin by saying that the discussions we have seen on the Senate floor these past few days should lead all of my colleagues—Democratic and Republican alike—to agree on one thing: the issues affected by this bill—Social Security, Medicare, education, tax relief—are serious and should not fall prey to political gamesmanship. It is not an overstatement to say that the nation's economic and fiscal health are

at stake. What we do on these issues will affect the lives of millions of Americans for decades to come.

The discussion has also revealed another truth. The debate on the proper course for this nation and its people as we head into the 21st century is really a tale of two paradigms.

The Republican vision for the future is to replay the past. They would have us follow their economic policies of the 1980s, a course that can best be characterized as one of both wishful thinking and fiscal disaster. This is a course of irresponsible tax breaks for the wealthiest among us. This is a course of voodoo economics, where providing huge tax breaks to the wealthiest was to somehow benefit everyone and reduce government deficits.

As history demonstrates, this really was a course of rosy scenarios and disastrous results. The benefits of their tax breaks were, not surprisingly, essentially confined to the wealthiest. Small deficits turned into massive ones. Government debt exploded, quadrupling in the 1980s. Unemployment averaged 7.1 percent in the previous decade. Median family income fell $1,825 in just four years. Welfare rolls were up 22 percent.

The Democratic vision for the future is to continue along the path we set forth in 1993, a path marked by fiscal responsibility and economic prosperity. Just to remind my colleagues of what we have accomplished since we embarked on this road, let me talk about the state of our economy when President Clinton took office. The deficit in 1992 was $290 billion and projected to grow to over $500 billion by the end of the decade and to continue rising each year thereafter. Again, unemployment was up, and family income was down. Welfare rolls were growing.

The Democratic-led Congress enacted a comprehensive economic plan in 1993. This plan was approved without a single Republican vote. And today, the results are clear. Economists have said this is the strongest U.S. economy they have seen in a generation. The record deficits have turned into record surpluses—$120 billion this year and larger every year thereafter for at least a decade. We are experiencing the longest peacetime economic expansion in this nation's history and, if it continues for several additional months, the longest in history, period. Economic growth during this period has averaged 3.5 percent—nearly double that experienced during the Reagan-Bush years. Unemployment is just over four percent—roughly one-half the level during the Reagan-Bush years. Median income for a family of four is up $3,500 since 1993. Welfare rolls are down 35 percent since 1994.

These are the two choices presented during this debate—whether we step back into a past filled with record deficits and debt or continue moving forward to sustain the economic and fiscal progress we have achieved since 1993. The question for the Congress and the American people is which road will we take—the dangerous one or the responsible one? Will we build on our success or put our national health at risk?

After carefully listening to the debate, it is apparent to me that many on the other side of the aisle would like to do it all over again. I have heard some of the same old, dangerous rhetoric and false rosy scenarios I heard in the early 1980s. Like then, I have heard misleading representations of government spending—both current and future. I have again heard talk of irresponsible tax cuts tilted to the wealthy and special interests. Once again, my Republican colleagues are proposing that we give short shrift to Medicare and, in a new twist, a prescription drug benefit as well. And finally, Republicans are again proposing massive cuts in education, veterans' health, defense and agriculture. These cuts are as unprecedented as they are unrealistic. If one assumes the Republicans simply match the President's defense spending proposals, all remaining discretionary programs would have to be cut by 38 percent below today's levels. If we follow the new, phantom baseline created expressly for the floor debate by Senators DOMENICI and FRIST, and again exempt defense, the cuts to all remaining programs will easily exceed 50 percent.

Mr. President, it is all the more disappointing to me that in the face of the historic opportunity afforded this body by our unmatched fiscal strength, the Senate is about to fail on three counts. The Republican majority is about to prevail and pass an irresponsible fiscal policy. Their tax cuts would reverse the progress of the 1990s and lead to us back to huge deficits and more debt. The Republican position also constitutes irresponsible national policy. The cost of the Republican tax cut would explode in the second decade of the 21st century—precisely when the baby boomer generation is retiring and resources are needed if the federal government is to keep its commitments on Social Security and Medicare. Finally, the majority has chosen to pursue this course in the face of a certain Presidential veto, should the bill reach the President's desk in something even close to its current form.

Instead of wasting the precious time of this Congress and the American people, it would have been better if Republicans had opted to work together with Democrats to develop a fiscally responsible plan that could get the President's signature. Democrats have offered the major parts of such a plan during the debate. Our plan consists of five components. Democrats protect the entire $1.9 trillion Social Security surplus; every dollar, every year. Democrats strengthen and modernize Medicare by setting aside a portion of the on-budget surplus to extend solvency and provide a prescription drug benefit for Medicare beneficiaries. Democrats pay down the federal government's publicly held debt, and, if our course is followed, eventually eliminate it. Democrats invest some of the non-Social Security surplus in critical priorities, such as defense, education, veterans' health, agriculture, and NIH. Finally, Democrats believe in a significant, responsible tax cut.

It is projected there will be sufficient resources to do all of this. Yet, Republicans refuse to do most of it. Instead, they choose to follow a course that has become all too familiar to Americans. Republicans again choose to pursue ideologically extreme positions that best serve special interests instead of the needs of ordinary, hard-working Americans. The Senate has seen this before, on the overall budget plan, on juvenile justice, and, most recently, on the Patients' Bill of Rights.

This is not a political game. We face serious challenges and historic opportunities. We have wasted precious time. The list of unresolved items that the Senate should address is a long one. And time is short. I hope that when we come back next week and in September, Republicans will discard their agenda written by special interests and pursue the people's agenda. If they do so, we can accomplish much together. If they do not, the American people will be the losers.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. 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. ROTH. Mr. President, we are now ready for final passage.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

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

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

The legislative clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 247 Leg.]

YEAS—57

Abraham	Collins	Grassley
Allard	Coverdell	Gregg
Ashcroft	Craig	Hagel
Bennett	Crapo	Hatch
Bond	DeWine	Helms
Breaux	Domenici	Hutchinson
Brownback	Enzi	Hutchison
Bunning	Fitzgerald	Inhofe
Burns	Frist	Jeffords
Campbell	Gorton	Kerrey
Chafee	Gramm	Kyl
Cochran	Grams	Landrieu

Lott	Roberts	Snowe
Lugar	Roth	Stevens
Mack	Santorum	Thomas
McCain	Sessions	Thompson
McConnell	Shelby	Thurmond
Murkowski	Smith (NH)	Torricelli
Nickles	Smith (OR)	Warner

NAYS—43

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moynihan
Bayh	Graham	Murray
Biden	Harkin	Reed
Bingaman	Hollings	Reid
Boxer	Inouye	Robb
Bryan	Johnson	Rockefeller
Byrd	Kennedy	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Lautenberg	Voinovich
Dodd	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	
Edwards	Lincoln	

The bill (S. 1429), as amended, was passed.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I want to give my thanks to the many staff members on both sides of the aisle, including my good friend and colleague, PAT MOYNIHAN, and all the many people who made this possible. This afternoon, I think we took a giant step toward getting the American people a tax break.

I would like to thank the following staff on this bill; Frank Polk, Joan Woodward, Mark Prater, Brig Pari, Jeff Kupfer, Bill Sweetnam, Tom Roesser, Ed McClellan, John Duncan, Connie Foster, and Jane Butterfield.

I also thank:

Frank Polk, Chief of Staff and Chief Counsel;

Joan Woodward, Deputy Staff Director;

Mark Prater, Chief Tax Counsel;

Alexander Vachen, Chief Social Security Analyst;

Brig Pari, Tax Counsel;

Tom Roesser, Tax Counsel;

Bill Sweetnam, Tax Counsel;

Jeff Kupfer, Tax Counsel;

Ed McClellan, Tax Counsel;

Kathy Means, Chief Health Analyst;

DeDe Spitznagel, Health Analyst;

Monica Tencate, Health Analyst;

Darcel Savage;

Jane Butterfield; and

Mark Blair.

Further, I wish to thank:

Carolyn D. Abraham, Secretary;

Robert (Greg) Bailey, Legislation Counsel;

Carl E. Bates, Refund Counsel;

B. Jean Best, Secretary;

John H. Bloyer, Chief Clerk;

Michael E. Boren, Administrative Assistant;

Mary Ann Borrelli, Economist;

Norman J. Brand, Senor Refund Counsel;

Tanya Butler, Secretary;

William J. Dahl, Senior Computer Specialist;

Debbie A. Davis, Secretary;

Kathleen Dorn, Executive Assistant;

Timothy Dowd, Economist;

Patrick A. Driessen, Senior Economist;

Christopher P. Giosa, Economist;

Robert C. Gotwald, Refund Counsel;

Richard A. Grafmeyer, Deputy Chief of Staff;

H. Benjamin Hartley, Senior Legislation Counsel;

Robert P. Harvey, Economist;

David P. Hering, Accountant;

Harold E. Hirsch, Senior Legislation Counsel;

Thomas Holtmann, Economist;

Melani M. Houser, Statistical Analyst;

Allison M. Ivory, Economist;

Deidre James, Legislation Counsel;

M.L. Sharon Jedlicka, Secretary;

Ronald A. Jeremias, Senior Economist;

John L. Kirkland, Jr., Staff Assistant;

Leon W. Klud, Special Assistant;

Gary Koenig, Economist;

Thomas F. Koerner, Associate Deputy Chief of Staff;

Debra L. McMullen, Senior Staff Assistant;

Neval E. McMullen, Staff Assistant;

David R. Macall, Intern/Tax Policy;

Laurie A. Matthews, Senior Legislation Counsel;

Pamela H. Moomau, Senior Economist;

Tracy S. Nadel, Director of Tax Resources;

John F. Navratil, Economist;

Joseph W. Nega, Legislation Counsel;

Diana L. Nelson, Computer Specialist;

Hal G. Norman, Computer Specialist;

Melissa A. O'Brien, Tax Resource Specialist;

Samuel Olchyk, Legislation Counsel;

Christopher J. Overend, Economist;

Lindy L. Paull, Chief of Staff;

Oren S. Penn, Legislation Counsel;

Cecily W. Rock, Senior Legislation Counsel;

Lucia J. Rogers, Secretary;

Paul Schmidt, Legislation Counsel;

Bernard A. Schmitt, Deputy Chief of Staff;

Mary M. Schmitt, Deputy Chief of Staff;

Melbert E. Schwarz, Accountant;

Todd Simmens, Legislation Counsel;

Christine J. Simmons, Secretary;

Carolyn E. Smith, Associate Deputy Chief of Staff;

Thomas A. St. Clair, Jr., Staff Assistant;

William T. Sutton, Senior Economist;

Peter M. Taylor, Senior Economist;

Melvin C. Thomas, Jr., Senior Legislation Counsel;

Michael A. Udell, Economist;

Carolyn (Morey) Ward, Legislation Counsel;

Barry L. Wold, Legislation Counsel; and

Joanne Yanusz, Secretary.

Mr. MOYNIHAN. Mr. President, I first express my great appreciation to the chairman. Members may have seen the affection with which he is held on our side of the aisle. I have said I will never fail to seek opportunities to congratulate his generosity.

I have the names of members of our staff we thank, including David Podoff, Russell Sullivan, and Maury Passman, who is leaving, and others who have worked so hard. I particularly thank Frank Polk and Joan Woodward on your side.

I also wish to thank

Dr. David Podoff, Staff Director and Chief Economist;

Russell Sullivan, Chief Tax Counsel;

Chuck Konigsberg, Chief Health Counsel and General Counsel;

Maury Passman, Tax Counsel;

Stan Fendley, Tax Counsel;

Anita Horn, Tax Professional Staff Member;

Mitchell Kent, Tax Legislative Research Assistant;

Kristen Testa, Medicaid Professional Staff Member;

Jon Resnick, Health Legislative Research Assistant;

Liz Fowler, Medicare Professional Staff Member;

Julianne Fisher, Assistant to the Minority Staff Director;

Jewel Harper, Receptionist; and our interns: Alison Egan, Patricia Daugherty, and Noam Mohr.

FURTHER MODIFICATION TO AMENDMENT NO. 1426

Mr. ROTH. Mr. President, I ask unanimous consent that the Coverdell-Torricelli previously agreed to amendment be modified as follows, and I send it to the desk.

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

The amendment (No. 1426), as further modified, is as follows:

On page 32, strike lines 6 through 11, and insert:

(1) IN GENERAL.—Subparagraph (E) of section 56(b)(1) is amended to read as follows:

''(E) SPECIAL RULE FOR CERTAIN DEDUCTIONS.—The standard deduction under section 63(c) shall not be allowed and the deduction for personal exemptions under section 151 and the deduction under section 642(b) shall each be allowed, but shall each be reduced by $_____.''

On page 32, strike lines 12 through 14, insert the following:

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. ___. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1203 and by inserting after section 1201 the following new section:

''SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the net capital gain of the taxpayer for the taxable year, or

''(2) $1,000.

''(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

''(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in

applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

''(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

''(1) an 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,

''(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

''(3) an estate or trust.

''(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

''(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

''(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) an estate or trust, and

''(F) a common trust fund.''

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:

''(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

''(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

''(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii).''

(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

''(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.''

(d) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following new paragraph:

''(12) SPECIAL RULE FOR COLLECTIBLES.—

''(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

''(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end the following new sentence: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(e) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) is amended by striking ''1202'' and inserting ''1203''.

(2) Clause (iii) of section 163(d)(4)(B) is amended to read as follows:

''(iii) the sum of—

''(I) the portion of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net capital gain referred to in clause (ii)(I)) taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202, plus

''(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.''

(3) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the deduction under section 1202 and the exclusion under section 1203 shall not be allowed.''

(4) Section 642(c)(4) is amended by striking ''1202'' and inserting ''1203''.

(5) Section 643(a)(3) is amended by striking ''1202'' and inserting ''1203''.

(6) Paragraph (4) of section 691(c) is amended inserting ''1203,'' after ''1202,''.

(7) The second sentence of section 871(a)(2) is amended by inserting ''or 1203'' after ''section 1202''.

(8) The last sentence of section 1044(d) is amended by striking ''1202'' and inserting ''1203''.

(9) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1202 and the exclusion provided by section 1203 shall not apply'' before the period at the end.

(10) Section 121 is amended by adding at the end the following new subsection:

''(h) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(11) Section 1203, as redesignated by subsection (a), is amended by adding at the end the following new subsection:

''(l) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(12) The table of sections for part I of subchapter P of chapter 1 is amended by striking the item relating to section 1202 and by inserting after the item relating to section 1201 the following new items:

''Sec. 1202. Capital gains deduction.

''Sec. 1203. 50-percent exclusion for gain from certain small business stock.''

(f) 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, 2005.

(2) COLLECTIBLES.—The amendments made by subsection (d) shall apply to sales and exchanges after December 31, 2005.

AMENDMENT NO. 1496

(Purpose: To provide a manager's amendment)

The PRESIDING OFFICER. Under the previous order, amendment No. 1496 is agreed to.

(The text of the amendment is printed in today's RECORD under ''amendments submitted.'')

Mr. ROTH. I ask unanimous consent that the Senate proceed to the consideration of the House companion bill, Calendar No. 234, H.R. 2480. I further ask consent that all after the enacting clause be stricken, and the text of the Senate bill be inserted in lieu thereof, the bill then be read for the third time and passed, with a motion to reconsider laid upon the table. I also ask consent that the Senate then insist on its amendment and request a conference with the House. I finally ask consent that the passage of S. 1429 be vitiated and the bill be placed back on the calendar.

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

The bill (H.R. 2480), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. BIDEN. Mr. President, I rise first to compliment my senior colleague from Delaware on his effectiveness. We agree on an awful lot of things. We disagreed on this tax bill, but that in no way diminishes my admiration for his effectiveness. As a matter of fact, this is one of the few occasions I wish he were not as effective as he has been.

I compliment him and I echo the comments of my friend from New York who said he is held in affection by Members on both sides of the aisle. I am first among those. I congratulate him for his success. I will not use the word ''deplore,'' but I disagree strongly with the outcome. However, I admire the way in which he—and maybe only he—could have been able to put this together.

Mr. ENZI. Mr. President, I congratulate the chairman of the Finance Committee and the ranking member of the Finance Committee for the outstanding work they have done together through this week to bring together a bill that could have bipartisan support in the Senate.

I particularly thank Senator ROTH for the depth of understanding he has on tax issues, the way he has worked across the aisle, the way he has worked through such a variety of measures. There were over 126 amendments we have just done. He understood and worked through and negotiated those into a package that I hope will be accepted by the House and signed by the President.

As the accountant in the Senate, I have been fascinated by the debate we have had this week. I volunteered to serve late a couple of nights. For us accountants, what we have seen here this week has been live entertainment—some of the finest stuff you can see on television.

I know my fellow accountants across the Nation have been watching. While we did not get the simplification we would have liked to have had, and that simplification is necessary for the American people, we have gotten some

very exciting, necessary provisions, some provisions where all Americans taxpayer will receive back part of the overpayment they paid in.

We have made a dent in the death taxes. We fixed the marriage penalty—eventually, with a start immediately, and a myriad of other provisions in there that will affect the lives of literally every person in the United States.

I thank the chairman of the committee who has been a part of the last great tax relief that was done as well as this great tax relief.

I thank the chairman and my colleagues who worked on and supported this measure.

I yield the floor.

Mr. HUTCHINSON. Mr. President, I also associate myself with the remarks of the Senator from Wyoming commending Senator ROTH and the Finance Committee for their work on this very important landmark tax relief legislation the Senate passed today. I believe, in taking the step we did today, in lowering the tax burden upon the American people from 21 percent of GDP to 20 percent of the gross domestic product, we have taken a modest but a very important step in providing relief to all Americans. I commend the Senate today, and the staff, and ask the President to reconsider his proposed veto.

MORNING BUSINESS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

BALKAN HISTORICAL PARALLELS

Mr. BIDEN. Mr. President, yesterday the Committee on Foreign Relations held a remarkable hearing on the prospects for democracy in Yugoslavia. Testifying were two of the Administration's top Balkan experts, two leading representatives of the non-governmental organization community with wide and deep experience in the Balkans, the executive director of the Office of External Affairs of the Serbian Orthodox Church in the United States, and a courageous woman from Belgrade who chairs the Helsinki Committee for Human Rights in Serbia.

One of the many topics raised during this hearing was the question of the correctness of the decision of the United States to refuse to give reconstruction assistance—as distinct from humanitarian assistance—to Serbia as long as Slobodan Milosevic remains in control in Belgrade. I completely support the Administration's policy in this matter, which, I am certain, comes as no surprise to any of my colleagues.

Since on this very day President Clinton and more than forty other world leaders are meeting in Sarajevo to discuss a so-called Balkans Stability Pact, which would deliver reconstruction assistance on a regional basis, I thought it would be appropriate at this time briefly to discuss two alleged historical parallels, one of which I believe is fallacious, the other which I would assert is directly applicable to the current situation.

At yesterday's hearing it was asserted that there was a moral imperative for NATO countries to offer reconstruction aid to Serbia just as after World War II the United States included Germany in its Marshall Plan assistance.

Mr. President, I would submit that this intended parallel falls short in several respects. First of all, in spite of twelve brutal years of criminal Nazi rule, post-war Germany still had the democratic tradition of Weimar as a basis for rebuilding its political system, with several prominent surviving leaders. Nothing like that exists in Serbia today. There are no Serbian Konrad Adenauers or Kurt Schumachers.

Secondly, the United States made as preconditions for Marshall plan assistance adherence to democracy, free-market capitalism, and cooperation with neighboring countries. Needless to say, the Serbia of Slobodan Milosevic would qualify on none of those grounds.

Finally, in order to guide post-war Germany toward democracy, the victorious allies occupied the country, dividing up responsibility into four zones. The Soviets quickly made clear their intention to impose communism in what became East Germany, and Stalin pressured the East Germans and other satellite countries to refuse the offer of Marshall Plan aid. In the U.S., British, and French zones of Germany, however, hundreds of thousands of troops and civilian officials essentially ran political life until the Federal Republic of Germany was established in 1949, and allied troops have remained until today.

It may well be that in order to bring Serbia into the family of democratic nations just such an international occupation would have to happen, but it is simply not in the cards.

So, Mr. President, the alleged parallel of today's Serbia with post-war Germany is totally inappropriate.

There is, however, a historical parallel chronologically much closer to today, which is, in fact, an appropriate one. That is the case of the Republika Srpska, one of the two entities of Bosnia and Herzegovina.

After the Dayton Accords were signed in late 1995 and the two entities—the Bosniak-Croat Federation and the Republika Srpska—were established, the Congress of the United States put together a reconstruction assistance package. Because of the brutal crimes of the Bosnian Serbs under Radovan Karadzic from 1992 to 1995, the legislation excluded the new Republika Srpska, then under Karadzic's control, from any reconstruction assistance except for infrastructural projects like energy and water, which spanned the inter-entity boundary line with the Federation. That meant that in the immediate post-Dayton period the Federation received about ninety-eight percent of American development assistance to Bosnia.

Largely as a result of this policy, the Federation's economy immediately began to recover from the war, while the Republika Srpska, under Karadzic's control in the town of Pale, stagnated.

But our policy has not been one exclusively of sticks; there have also been carrots. If localities in the Republika Srpska cooperated with Dayton implementation, the U.S. Agency for International Development was prepared to channel assistance to them. USAID lays down strict conditions in contracts with the individual localities. The policy is not perfect, and it is carefully monitored by Congress. But, in general, it has worked, and it has had positive results.

People in the Republika Srpska saw the economic resuscitation of the Federation and noticed the assistance that a few of their own localities were receiving. They compared this modest, but undeniable economic progress with the persistent, grinding poverty of most of the Republika Srpska, led by Karadzic and his corrupt, criminal gang in Pale, which had been effectively isolated. The indicted war criminal Karadzic was finally banned from political life, but one of his puppets took his place.

No matter how ultra-nationalistic or even racist many of the people in the Republika Srpska were, most of the population caught on pretty quickly that their future was an absolute zero as long as their current leaders stayed in office.

The result was a reform movement, initially led by Mrs. Plavsic, which legally wrested control from the Pale thugs and moved the capital of the Republika Srpska to Banja Luka. Last year she lost an election, but the government of the Republika Srpska is now led by Prime Minister Dodik, a genuine democrat, who has survived attempts from Belgrade by Milosevic to unseat him, is supported by a multi-ethnic parliamentary coalition, kept the lid on the situation during the Yugoslav air campaign, and now is beginning to implement Dayton.

The situation in Bosnia, as we all know, is far from satisfactory, but real progress has been made. And, back to my original point, in the Republika Srpska we have the real historical parallel of a policy of excluding a government from economic reconstruction assistance as long as it is ruled by an indicted war criminal or his puppet.

I hope this discussion of historical precedents may be helpful as the Senate continues to debate our Balkan reconstruction policy.

REGULATORY OPENNESS AND FAIRNESS ACT OF 1999

Mr. BURNS. Mr. President I rise today to speak on the Regulatory Openness and Fairness Act of 1999, of which I am an original cosponsor.

This legislation will ensure that the Food Quality Protection Act (FQPA) will carry out its original intent while protecting agricultural producers from unnecessary regulations. The FQPA, enacted in 1996, was put in place to ensure that highest level of food safety. This is a necessary and worthwhile goal. However, the EPA currently makes rulings that are based on data without a sound science base. Instead, assumptions are based on propaganda and worst-case scenarios.

This legislation requires EPA to modernize the laws governing pesticide use, using science-based data and evaluations. This will ensure that American consumers will continue to receive the world's safest food supply, and still allow those agricultural producers that provide food and fiber the means to do so.

This bill will also require EPA to establish and administer a program for tracking the effect of regulatory decisions of U.S. agriculture as compared to world trends. Producers in other countries often do not face the regulatory nightmare American producers do. This will provide a measure for that different and the impact it has on agricultural producers in the U.S.

Additionally, this bill will establish a permanent Pesticide Advisory Committee including food consumers, environmental groups, farmers, non-agricultural pesticide users, food manufacturers, food distributors, pesticide manufacturers, federal and state agencies. Such a diverse group will serve all interests and maintain a safe food supply.

I thank Mr. HAGEL for sponsoring this fine bill and look forward to working with him in its passage. Through it we can work for the good of agriculture and food consumers alike.

ADMINISTRATION'S CONSTRUCTIVE ENGAGEMENT WITH CHINA

Mr. GORTON. Mr. President, I submit for the CONGRESSIONAL RECORD a column by Michael Kelly that appeared in the July 28th edition of the Washington Post. Mr. Kelly asks in his column whether it ''strikes anyone as odd'' that the Clinton-Gore Administration continues desperately to hand onto its policy of ''constructive engagement'' with China, even as Beijing breaths fire in response to reasonable statement made by the freely- and fairly-elected President of Republic of China on Taiwan.

This Senator, for one, has serious questions about the wisdom of President Clinton's foreign policy as it relates to China, and the competence of the Clinton-Gore Administration to protect and advance America's interest in this vital region of the world.

In response to statements by Taiwan's President Lee Teng-hui that discussions and talks between Taiwan and China should be conducted on a ''special state-to-state'' basis, China has repeatedly issued not-so-veiled threats of its intent to use military force against Taiwan unless President Lee retracts his statements.

What was the response of the Clinton-Gore Administration? Let me reference a news story from the July 26th edition of the Washington Post entitled ''Albright, Chinese Foreign Minister Hold 'Very Friendly Lunch.' '' The article reads in part,

Lee's announcement triggered a ferocious response by Beijing. Washington also criticized it and dispatched a representative to pressure Taiwan to modify its statement.

Today, Albright said that Richard Bush, the U.S. envoy to Taiwan, told Lee ''that there needs to be . . . a peaceful resolution to this and a dialogue. And I think that the explanations offered thus far don't quite do it.''

Mr. President, this is an amazing as it is outrageous. Rather than defend the Republic of China on Taiwan and its right to live in peace and choose its own form of government, Secretary of State Albright has a ''very friendly lunch'' with one of the highest ranking members of the repressive communist Chinese regime while one of her assistants reprimands and pressures Taiwan to appease China. Can it truly be our nation's policy is to protect China from Taiwan?

Taiwan is not the bully in this matter. Taiwan deserves America's commitment to defend it against China's threats. Our nation should proudly and firmly stand by Taiwan, a blooming and prosperous democracy where free speech, religious freedom and the benefits of capitalism are practiced and enjoyed. The United States should stand in the future, as it has in the past, for freedom and democracy whenever those great qualities are threatened by the forces of repression.

Mr. President, I ask unanimous consent that the article ''On The Wrong Side,'' by Michael Kelly 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, July 28, 1999]

ON THE WRONG SIDE

(By Michael Kelly)

Back in the dear, dead days when the Democratic Party stood for dreams a bit loftier than clinging to power, the labor wing of the party liked to ask a question: ''Whose side are you on?'' It was a good question because it was an awkward one and an inescapable one. The question presents itself these days, awkwardly and inescapably as always, in the matter of Taiwan and China. Whose side are we on?

On the one hand, we have Taiwan, which is an ally and a democracy. It is not a perfect ally nor a perfect democracy (but neither is the United States). Formed out of the nationalist movement that lost China to Mao's Communists, Taiwan increasingly has wished for independent statehood. In recent years, as the island has become more democratic and more wealthy, it has become more aggressive in expressing this wish.

On the one hand, we have China. The People's Republic is a doddering, desperate despotism, in which a corrupt oligarchy presides, only by the power of the gun, over a billion people who would rather live in freedom. China has always regarded Taiwan as an illegitimately errant province, ultimately to be subjugated to Beijing's rule. In recent years, as China's rulers have found themselves increasingly uneasy on their thrones, they have attempted, in the usual last refuge of dictators, to excite popular support by threatening belligerence against an exterior enemy—in this case, Taiwan.

For two decades, the United States has supported a deliberately ambiguous policy, which says that there should be ''one China,'' but carefully does not say who should rule that China. Ambiguity worked pretty well for a long time, but it is a Cold War relic whose logic has expired, and its days are running out.

Two weeks ago, Taiwan's president, Lee Teng-hui, recognized this reality and said that henceforth Taiwan and China should deal with each other on a ''state-to-state'' basis. Beijing reacted with its usual hysterical bellicosity. This week, Chinese Foreign Minister Tang Jiaxuan used a session of the Association of Southeast Asian Nations to again threaten Taiwan: ''If there occur any action for Taiwan independence and any attempt by foreign forces to separate Taiwan from the motherland, the Chinese people and government will not sit back,'' Tang said. He added a warning to Secretary of State Madeleine Albright to ''be very careful not to say anything to fan the flames'' of independence.

Not to worry. Neither Madame Secretary nor anyone else in the Clinton administration has the slightest intention of fanning freedom's flames. Quite the contrary. The administration has reacted to Lee's ''state-to-state'' remarks by repeatedly reassuring Beijing that the United States is entirely with it in this matter. On Monday Albright made a point of saying that Lee's efforts to back off of his remarks ''thus far don't quite do it.'' So, we are on China's side.

We are on the side of a regime that, the administration's own Justice Department tells us, has engaged in (1) a massive and perhaps still ongoing campaign to steal America's most valuable nuclear secrets; and (2) an effort to corrupt the 1996 elections by funneling cash to, principally, the Clinton-Gore campaign and the Democratic National Committee.

We are on the side of a regime that, the administration assures, is becoming more tolerant of political freedom. Is that so? Beijing has intensified the persecution of political dissidents since Clinton began his policy of ''constructive engagement'' with China. Most recently, Beijing has been hosting old-fashioned Stalinist show trials of democratic dissidents; three organizers of the fledgling China Democratic Party drew sentences of, respectively, 13, 12 and 11 years.

China also continues its campaign to destroy independent religious movements. Accordingly to the group Human Rights in China, the regime arrested 7,410 leaders of the Protestant house-church movement in two months last year. Currently, Beijing is undertaking a countrywide effort to stamp out the spiritual movement Falun Gong. The New York Times reports that more than 5,000 people have been arrested, and 1,200 government officials who are movement members have been shipped off to re-education schools to study Communist Party doctrine.

We are on the side of a regime that forces abortions on women who attempt to give ''unplanned'' births; a regime that exploits

the accidental bombing of its embassy to incite anti-American riots, threatening U.S. citizens; a regime that continues to sell weapons of mass destruction to rogue states inimical to U.S. interests.

We are acting against a regime that seeks democratic independence and a society rooted in the pursuit of life, liberty and happiness.

Doesn't any of this strike anyone as odd?

THE U.S. ARMY SCHOOL OF THE AMERICAS

Mr. CLELAND. Mr. President, I rise today to express my continued support for the U.S. Army School of the Americas (SOA), located at Fort Benning, Georgia. Legislation has been introduced by my colleagues both in the House and the Senate which would close the School of the Americas, and last evening the House adopted an amendment to do so. Mr. President, I rise to support the School of the Americas and the vital mission it performs in encouraging diplomacy and democracy within the militaries located in the Americas.

The School of the Americas has been a key instrument of U.S. foreign policy in Latin and Southern America for over fifty years and is the single most important instrument of our National Security Strategy of engagement in the Southern Hemisphere.

The legislation opposing the School has been accompanied by a mountain of communications alleging that this School, operated by the U.S. Army and funded by taxpayers' dollars, is the cause of horrendous human rights abuses in Central and South America. In twelve separate investigations since 1989, the Department of Defense, the Army, the GAO and others have found nothing to suggest that the School either taught or inspired Latin Americans to commit such crimes. Yet, sponsors of these measures reproduce the critics' list of atrocities allegedly committed by a small number of graduates in order to transfer responsibility for these crimes to the backs of the School and the Army rather than to the individuals themselves.

The School is, and always has been, a U.S. Army training and education institution teaching the same tactics, techniques, and procedures taught at other U.S. Army schools and imparting the very same values that the Army teaches its own soldiers. These U.S. military personnel receive the same training as all graduates of our military schools. To suggest that terrorist activities are taught to students would suggest that we in fact teach terrorist activities to all of our own military personnel. This is assuredly not the case.

The School is commanded by a U.S. Army colonel whose chain of command includes the Commanding General of the U.S. Army Infantry Center and the Commanding General of the U.S. Army Training and Doctrine Command. The School also receives oversight and direction from the Commander-in-Chief of U.S. Southern Command. The School's staff and faculty includes over 170 U.S. Army officers, noncommissioned officers, enlisted soldiers, and Department of the Army civilians. The School counts among its graduates over 1,500 U.S. military personnel including five general officers currently serving on active duty in our military.

I agree completely with critics of the School that ''Human rights is not a partisan issue,'' and I further agree that, in the past there were indeed some shortcomings in the School's fulfillment of its mission to transmit all of the values we hold dear in our country. In that regard, today, the U.S. Army School of the Americas has the U.S. Army's premier human rights training program. The program has been expanded in recent years in consultation with the International Committee of the Red Cross and Mr. Steve Schneebaum, a noted human rights attorney and a member of the School's Board of Visitors. Every student and instructor at the School receives mandatory human rights instruction and the International Committee of the Red Cross teaches human rights each year during the School's Command and General Staff and Peace Operations courses. Last year, over 900 Latin American soldiers, civilians, and police received human rights instruction at the U.S. Army School of the Americas.

Latin America is currently undergoing an unparalleled transformation to democratic governance, civilian control of the military, and economic reform along free market principles. Almost every nation in Latin America has a democratically elected government. During this transition, the region's militaries have accepted structural cuts, reduced budgets, and curtailed influence in society. In many cases, their acceptance of this new reality has been encouraged and enhanced by the strategy of engagement of which the U.S. Army School of the Americas is an integral part. However, many Latin American democracies are fragile. True change does not occur in days, months, or even years. We must continue to engage Latin American governments, including their militaries. Marginalizing or ignoring the militaries of the region will not help in consolidating hard-won democracy but, instead, will have the opposite effect. Our efforts to engage the militaries of the region are more important and more relevant than ever. The U.S. Army School of the Americas is unique in this regard because it trains and educates large numbers of Latin American students who cannot be accommodated in other U.S. military service schools due to limited student spaces and the inability of other U.S. military schools to teach in Spanish.

Over the years, changes have been made to enhance the School's focus on human rights and diplomacy. Recently introduced courses such as Democratic Sustainment, Humanitarian Demining, International Peacekeeping Operations, Counternarcotics Operations, and Human Rights Train-the-Trainer, directly support shared security interests in the region, and are not offered elsewhere. Other proposed changes include placing the School under the jurisdiction of U.S. Southern Command and expanding the Board of Visitors to include congressional membership—both proposals which I strongly support.

By focusing on the negative, critics ignore the many recent positive contributions that U.S. Army School of the Americas graduates have made. In 1995, this nation helped broker a cease fire between Peru and Ecuador when a historical border dispute threatened to ignite into war. The key members of the delegations that put together that accord were U.S. Army School of the Americas graduates, from Peru, from Ecuador, and from the guarantor nations of the United States and Chile. In fact, the Commander of the U.S. contingent to the multinational peacekeeping force, who received special recognition from the State Department for ''extraordinary contributions to U.S. diplomacy,'' was a 1986 graduate of the School's Command and General Staff course, and serves as the current Commandant of the School. More recently, in 1997, the President of Ecuador was removed from office, creating a constitutional crisis. Some of the people of Ecuador called for the military to take power, but their military refused. Many of the officers in the high command were U.S. Army School of the Americas graduates. Finally, less than four months ago, the President of Paraguay was impeached for misconduct. Once again, a constitutional crisis ensued. Once again, the military refused to take power. Once again many of the officers in that military were U.S. Army School of the Americas graduates, including one general officer who played a key role in the refusal.

I ask each of you to take a careful look at the U.S. Army School of the Americas as it exists today. Look to the future. As stated by the School's critics, ''The contentious politics of U.S. foreign policy in Central America in the 1980s are over.'' I strongly urge you to continue your support of the Army School of the Americas and the U.S. Army.

REGULATORY FAIRNESS AND OPENNESS ACT

Mr. GORTON. Mr. President, I rise today to signify my support for the introduction of the Regulatory Fairness and Openness Act of 1999.

According to data compiled in the last five years, the State of Washington produces more than 230 food, feed and seed crops; ranks in the top five for the value of the commodities produced; leads the nation in the production of apples, spearmint oil, red raspberries, hops, edible peas and lentils, asparagus, sweet cherries, and

pears; is second in the nation in the production of winter wheat, potatoes, Concord grapes, and carrots; and contributes more than $5 billion to the State's economy annually. Not only do all these facts signify the importance of the agriculture industry to the State of Washington and the nation, but highlight the importance of having the proper tools and chemicals necessary to produce one of the most abundant, economical, and safest food supplies in the world.

I agreed to be an original cosponsor the Regulatory Fairness and Openness Act of 1999 for many reasons, but the most significant reason comes down to common sense. I supported the passage of the Food Quality Protection Act in 1996 and still believe in the intent of the legislation. However, recent accounts from the agriculture industry cite concern about the practical application of reliable data and science to the process.

Just this week a 25-year-old apple farmer from Orondo, Washington visited my office to voice her concerns over the implementation of FQPA. Karen Simmons explained that with the current manner in which FQPA is being implemented, entire classes of pesticides are threatened with elimination. Should these tools of agriculture be lost, an orchard like Karen's faces possible extinction. Karen's story is not the first I've heard, as farmers from Washington have been invaluable in expressing their concerns to me over the future of their livliood.

Karen's account mimics the thousands of reports my colleagues and I have heard from growers across this country. Karen, like many farmers, never follows the application suggestions prescribed by the chemicals she uses. Not only does she not follow these recommendations for practical purposes, but because of the cost incurred as well.

For example, one of the pesticides she utilizes recommends application up to twice a week, but Karen informed us that she rarely uses it that frequently. While Karen might not utilize this chemical often, it is imperative that she has it as a tool. Should this tool be eliminated altogether, Karen's crop is susceptible to infestation, thereby putting her entire orchard in jeopardy.

Unfortunately, in establishing the risk cup for chemicals, EPA has been using application recommendations, often referred to as default assumptions, and not taking into consideration actual usage. This approach is threatening the tools growers have at their disposal. That is why it is imperative that we incorporate into the implementation of FQPA a rulemaking process, allowing growers, chemical utilizers, and household pest producers the ability to divulge actual usage and to apply practical sense to the process. How could we suggest threatening the livelihood of the American farmer and others, while not providing for them an avenue to participate, comment and clarify?

Children's health is equally important, and, as several of my colleagues have suggested, improper application of the FQPA to household pest controls could create a host of health hazards for children and the elderly. For example, there is a real threat that current FQPA implementation could eliminate the use of some household insecticides and repellants. As many of you know, children and the elderly are susceptible to disease, often carried by cockroaches and other insects. Improper control of these pests could equate to serious health hazards across the nation, a scenario none of us predicted with the passage of FQPA.

Again, I stress that the intent of the legislation is not to alter the importance or significance of human health, but to ensure that decisions regarding health risks are informed and not hasty, that the intent of the FQPA is carried out with the use of sound science and practical application, that a dose of common sense is applied, and that adequate time is available to make certain all decisions and tolerance standards are healthy and equitable.

Without question, the United States produces the most abundant, desirable, inexpensive, and safest food supplies in the world. The FQPA must be implemented in a fashion that not only takes into account these very facts, but continues to consider the needs, choices and health of the American consumer.

I thank my colleagues for their continuing interest in this issue, and look forward to working with everyone to pass the Regulatory Fairness and Openness Act of 1999.

Mr. SMITH of Oregon. Mr. President, I rise today to speak for a moment about the Regulatory Fairness and Openness Act that I am pleased to cosponsor with a number of my colleagues who are concerned about the state of agriculture today. I want to thank Senator HAGEL and his staff for their work on this legislation which refects the input of a number of agriculture groups, including the American Farm Bureau Federation.

When the Congress passed the Food Quality Protection Act in 1996, the idea was to update our pesticide laws so that our farmers could continue to provide the safest and most economical food supply in the world. FQPA eliminated the outdated zero-tolerance Delaney clause for pesticide residues and provided the EPA a framework to review and approve pesticides based on the best scientific evidence available about any health risks these chemicals may pose. What was not intended was to give the EPA the authority to embark on a course to eliminate pesticides based on unrealistic, worst-case scenarios while keeping important stakeholders in the dark.

Agriculture in my state of Oregon is incredibly diverse. We have everything from large wheat or nursery operations to small berry farms and hazelnut orchards. While implication of FQPA will surely have implications for program commodities like wheat and soybeans, it is the small speciality crops grown in my state that I am most concerned will be the first to find what may be the only available crop protection tool arbitrarily axed by EPA. At a time when farms all across the country are in the grip of a price depression crisis, our farmers simply can't afford to take another hit—especially one from their own government.

Despite our hopes to the contrary, it has become apparent in recent months that legislation is needed to steer the Environmental Protection Agency back towards science-based review of pesticide tolerances under the Food Quality Protection Act. The Regulatory Fairness and Openness Act that we are introducing today requires the EPA to expose its decisionmaking process for public comment, identify areas where assumptions were made, expedite data collection procedures where needed, and streamline the process to get economically viable alternative products approved. The common-sense legislation is the result of consultation with more than 60 agriculture and pest control organizations.

Mr. President, the public has a right to know what processes are beingused in the implementation of the FQPA and how the EPA is arriving at its decisions. Our farmers have a right to know that important crop protection chemicals will not be eliminated on a whim by a federal agency. I hope colleagues agree with me that this measure of regulatory relief is urgently needed, and I urge my colleagues to join me in support of the Regulatory Fairness and Openness Act.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 29, 1999, the Federal debt stood at $5,640,577,276,840.14 (Five trillion, six hundred forty billion, five hundred seventy-seven million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents).

One year ago, July 29, 1998, the Federal debt stood at $5,543,291,000,000 (Five trillion, five hundred forty-three billion, two hundred ninety-one million).

Five years ago, July 29, 1994, the Federal debt stood at $4,636,362,000,000 (Four trillion, six hundred thirty-six billion, three hundred sixty-two million).

Twenty-five years ago, July 29, 1974, the Federal debt stood at $476,155,000,000 (Four hundred seventy-six billion, one hundred fifty-five million) which reflects a debt increase of more than $5 trillion—$5,164,422,276,840.14 (Five trillion, one hundred sixty-four billion, four hundred twenty-two million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents) during the past 25 years.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

MR. COCHRAN. I thank the Chair.

(The remarks of Mr. COCHRAN and Mr. HUTCHINSON pertaining to the submission of S. Res. 169 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

WETLANDS RESERVE PROGRAM ENHANCEMENT ACT

Mr. HUTCHINSON. Mr. President, earlier this week I introduced the Hutchinson-Lincoln Wetlands Reserve Program Enhancement Act to help strengthen the popular Wetlands Reserve Program administered by the Natural Resources Conservation Service. Simply put, this legislation will act to strengthen the current WRP which provides financial incentives to farmers and private landowners who voluntarily set aside marginal lands and restore them to optimal wetland wildlife habitat.

These restored wildlife areas are some of the best wildlife conservation habitat in America and are critical to the future of waterfowl throughout our Nation. Established by the 1990 farm bill as a long-term conservation option for farmers, the WRP protects farm wetlands using 10-year, 30-year, and permanent easements. Land which is eligible for WRP is characterized by wetlands that are farmed, lands adjacent to protected wetlands, and croplands and pastures which are naturally prone to flooding.

If eligible, the landowner voluntarily limits the use of the lands while retaining private ownership and access to the land. In addition, they may also lease the land for hunting, fishing, and other undeveloped recreational activities. The NRCS, in conjunction with the landowner, then develops a plan for the restoration and the maintenance of the wetland.

Once restored, wetlands act to: No. 1, improve water quality by filtering sediments; No. 2, reduce flooding; No. 3, recharge ground water; No. 4, promote biological diversity; and No. 5, furnish educational, recreational, and aesthetic benefits. These benefits, as a result of the WRP, have helped landowners throughout the 46 States where farmers have currently enrolled in what has become a very successful program.

At the local level, I want to mention three farmers in Arkansas who are benefiting from the WRP. Hattie Neely of Moro, AR, in Lee County, grows soybeans and has enrolled 31 acres in this very important program. Then there is Donald Wallace of Gillett, AR, in Arkansas County, who grows soybeans, and he has enrolled 30 acres in the WRP. And Dick Carmichael of Monticello, AR, in Drew County, grows soybeans and rice and has enrolled 115 acres in the WRP.

In each case, these farmers are using the WRP to restore bottom land hardwood forests and a natural wildlife habitat. Other farmers in Arkansas are using WRP to retire agricultural lands unsuited for crop production because of elevated levels of salt from irrigation water. In this case, WRP lands filter runoffs, keeping salts and sediments in the wetlands and out of the natural waterways.

Despite the benefits to farmers across America, the WRP will soon become a victim of its own success. The current WRP is authorized to enroll up to 975,000 acres nationally through the year 2002. WRP is in such high demand from America's farmers that it will reach its acreage cap next year. The top 10 States—Louisiana, Mississippi, Arkansas, California, Missouri, Iowa, Texas, Florida, Oklahoma, and Illinois—have a combined enrollment of almost 427,000 acres in these States alone.

In response to the success of WRP, my bill seeks to expand the acreage cap from the proposed 180,000 acres in fiscal year 2000 to a newly authorized maximum of 250,000 acres per year through the year 2005. This will help to ensure that farmers who want to enroll in the program will have the option to do so.

There is no doubt that the American farmer faces an industry that is in crisis. In the race to find solutions for the many challenges facing farmers, I want to ensure that my colleagues in the Senate do not overlook the importance of conservation to family farmers, both as a way to protect valuable wildlife resources and as a source of additional income.

In the Mississippi Delta, family farmers are using the WRP to move frequently flooded farmland away from high-risk, high-cost farming back to original hardwood timberlands.

Mr. President, I thank you for this opportunity to speak on behalf of family farmers who care about protecting the natural resources with which they are entrusted. I ask my colleagues to consider the importance of wildlife conservation in the life of family farmers. Join me in the support of what I think is very good, very important, bipartisan conservation legislation.

MESSAGES FROM THE HOUSE

At 3:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2587. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that pursuant to 10 U.S.C. 9355(a), the Speaker appoints the following Members of the House to the Board of Visitors to the United States Air Force Academy: Mr. THOMPSON of California and Mr. DICKS of Washington.

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 as Members of 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 the House insists upon its amendments to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes, disagreed to by the Senate, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Banking and Financial Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. LEACH, Mr. MCCOLLUM, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BAKER, Mr. LAZIO, Mr. BACHUS, Mr. CASTLE, Mr. LAFALCE, and Mr. VENTO.

As additional conferees from the Committee on Banking and Financial Services, for consideration of titles I, III (except section 304) IV, and VII of the Senate bill, and title I of the House amendment, and modifications committed to conference: Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mrs. MALONEY of New York.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference: Mr. KANJORSKI, Mrs. MALONEY of New York, Mr. WATT of North Carolina, and Mr. MALONEY of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference: Mr. KANJORSKI, Mrs. MALONEY of New York, Ms. VELÁZQUEZ, and Ms. HOOLEY of Oregon.

As additional conferees from the Committee on Banking an Financial Services, for consideration of title VI of the Senate bill, and title IV of the House amendment, and modifications committed to conference: Ms. WATERS, Mrs. MALONEY of New York, Mr. GUTIERREZ, and Mr. BENTSEN.

As additional conferees from the Committee on Banking an Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference: Mr. FRANKS of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mr. ACKERMAN.

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr.

BLILEY, Mr. OXLEY, Mr. TAUZIN, Mr. GILLMOR, Mr. GREENWOOD, Mr. COX, Mr. LARGENT, Mr. BILBRAY, Mr. DINGELL, Mr. TOWNS, Mr. MARKEY, Mr. WAXMAN, Ms. DEGETTE, and Mrs. CAPPS.

Provided, That Mr. RUSH is appointed in lieu of Mrs. CAPPS for consideration of section 316 of the Senate bill.

From the Committee on Agriculture, for consideration of title V of the House amendment, and modifications committed to conference: Mr. COMBEST, Mr. EWING, and Mr. STENHOLM.

From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(b), 136(d)–(e), 141–44, 197, 301, and 306 of the House amendment, and modifications committed to conference: Mr. HYDE, Mr. GEKAS, and Mr. CONYERS.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency; and for other purposes, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. HYDE, Mr. MCCOLLUM, Mr. GEKAS, Mr. COBLE, Mr. SMITH of Texas, Mr. CANADY of Florida, Mr. BARR of Georgia, Mr. CONYERS, Mr. FRANK of Massachusetts, Mr. SCOTT, Mr. BERMAN, and Ms. LOFGREN.

Provided, That Ms. JACKSON-LEE of Texas is appointed in lieu of Mr. FRANK of Massachusetts for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

Provided further, That Mr. MEEHAN is appointed in lieu of Mr. BERMAN for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment (except sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX), and modifications committed to conference: Mr. GOODLING, Mr. PETRI, Mr. CASTLE, Mr. GREENWOOD, Mr. DEMINT, Mr. CLAY, Mr. KILDEE, and Mrs. MCCARTHY of New York.

From the Committee on Commerce, for consideration of sections 1365 and 1401–03 of the House bill, and sections 1504, 1515, and 1523 of the Senate amendment, and modifications committed to conference: Mr. BLILEY and Mr. DINGELL.

Provided, That Mr. BILIRAKIS is appointed for consideration of section 1365 of the House bill and section 1523 of the Senate amendment.

Provided further, That Mr. TAUZIN is appointed for consideration of sections 1401–03 of the House bill and sections 1504 and 1515 of the Senate amendment.

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–4448. A communication from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Rule to List Nine Evolutionary Significant Units of Chinook Salmon (Oncorhynchus tshawytscha), Chum Salmon (Oncorhynchus keta), Sockeye Salmon (Oncorhynchus nerka), and Steelhead (Oncorhynchus mykiss), as Threatened or Endangered'', received July 28, 1999; to the Committee on Environment and Public Works.

EC–4449. A communication from the Chair, National Women's Business Council, transmitting, pursuant to law, a report entitled ''The 1999 NWBC Best Practices Guide: Contracting with Women''; to the Committee on Small Business.

EC–4450. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to vouchers for extremely low-income elderly families; to the Committee on Banking, Housing, and Urban Affairs.

EC–4451. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to technical and conforming amendments necessitated by passage of the Quality Housing and Work Responsibility Act of 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–4452. A communication from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting, a draft of proposed legislation relative to the security of dams, facilities and resources under the jurisdiction of the Bureau; to the Committee on Energy and Natural Resources.

EC–4453. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Acquisition Regulation: Contractor Performance Evaluation'' (FRL #6409–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4454. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Air Quality Index Reporting'' (FRL #6409–7), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4455. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants: Washington'' (FRL #6408–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4456. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''OMB Approvals Under the Paperwork Reduction Act; Technical Amendment'' (FRL #6409–2), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4457. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Chief Financial Officer and Assistant Secretary for Administration, and the designation of an Acting Chief Financial Officer and Assistant Secretary; to the Committee on Commerce, Science, and Transportation.

EC–4458. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Under Secretary for Technology, and the designation of an Under Secretary; to the Committee on Commerce, Science, and Transportation.

EC–4459. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Assistant Secretary for Technology Policy; to the Committee on Commerce, Science, and Transportation.

EC–4460. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report relative to cigarette labeling and advertising for 1997; to the Committee on Commerce, Science, and Transportation.

EC–4461. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Saab Model SAAB 2000 Series Airplanes; request for Comments; Docket No. 98–NM–350 (7–22/7–26)'' (RIN2120–AA64) (1999–0280), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4462. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Alexander Schleicher Segelflugzeubau Model ASH 26E Sailplanes; Docket No. 99–CE–06 (7–26/7–26)'' (RIN2120–AA64) (1999–0282), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4463. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Sikorsky Aircraft-Manufactured Model CH–54B Helicopters; Docket No. 97–SW–59 (7–22/7–26)'' (RIN2120–AA64) (1999–0281), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4464. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Allied Signal Inc. ALF502R and ALF502R–3A Turbofan Engines; Docket No. 98–ANE–42 (7–19/7–26)'' (RIN2120–AA64) (1999–0283), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4465. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled

''Establishment of VOR Federal Airways, WA; Establishment of Effective Date; Docket No. 97–ANM–23 (7–26/7–26)'' (RIN2120–AA66) (1999–0234), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4466. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Change of Name of Using Agency for Restricted Areas R–210A, R–210B, and R210C; AL (7–216/7–26)'' (RIN2120–AA66) (1999–0243), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4467. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Lawrence, KS; Direct Final Rule; Request for Comments; Docket No. 99–ACE–35 (7–21/7–26)'' (RIN2120–AA66) (1999–0236), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4468. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Parsons, KS; Direct Final Rule; Request for Comments; Docket No. 99–ACE–36 (7–21/7–26)'' (RIN2120–AA66) (1999–0235), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4469. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Grain Valley, MO; Direct Final Rule; Request for Comments; Docket No. 99–ACE–28 (7–21/7–26)'' (RIN2120–AA66) (1999–0237), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4470. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Decorah, IA; Docket No. 99–ACE–19 (7–21/7–26)'' (RIN2120–AA66) (1999–0242), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4471. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Perry, OK; Direct Final Rule; Request for Comments; Docket No. 99–ASW–15 (7–21/7–26)'' (RIN2120–AA66) (1999–0238), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4472. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Center, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–14 (7–21/7–26)'' (RIN2120–AA66) (1999–0239), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4473. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Shreveport, LA; Direct Final Rule; Request for Comments; Docket No. 99–ASW–10 (7–21/7–26)'' (RIN2120–AA66) (1999–0240), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4474. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Galveston, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–09 (7–21/7–26)'' (RIN2120–AA66) (1999–0241), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4475. A communication from the Deputy Assistant General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Compensation for Damage of Expensive Mobility Aids in Air Travel'' (RIN2105–AC77), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4476. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure for the Trawl Deep-Water Species Fishery in the Gulf of Alaska'', received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4477. A communication from the Assistant Administrator for Satellite and Information Services, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Notice of Availability of Federal Assistance (Use of Satellite Data for Studying Local and Regional Phenomena)'', received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4478. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Tecopa, California; Council Grove, Kansas; Carbondale, Colorado; El Jebel, Colorado)'' (MM Docket No. 99–46; RM–9470; MM Docket No. 99–47; RM–9471; MM Docket No. 99–48; RM–9472; MM Docket No. 99–49; RM–9473), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4479. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Genoa, Mt. Morris, and Oregon, Illinois)'' (MM Docket No. 99–64; RM–9485), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4480. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Llano, Texas)'' (MM Docket No. 99–131; RM–9333), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4481. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lufkin, Texas)'' (MM Docket No. 98–125; RM–9301), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4482. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Indian Springs, Nevada; Mountain Pass, California; Kingman, Arizona; and St. George, Utah)'' (MM Docket No. 96–171), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4483. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Saltillo, Mississippi; Rozel, Kansas; New Castle, Colorado; Walden, Colorado; Aberdeen, Idaho; Palisade, Colorado; Rye, Colorado and Burdett, Kansas)'' (MM Docket No. 99–2, 99–3, 99–27, 99–29, 99–30, 99–31, 99–32 and 99–33), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4484. A communication from the Acting Chief, Enforcement Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Policies and Rules Concerning Operator Services and Aggregators, CC Docket No. 94–158'' (FCC 99–171, CC Docket No. 94–158), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4485. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Extension of Filing Date for Discrimination Complaints; 64 FR 38308; 07/16/99'' (RIN2067–AC99), received July 22, 1999; to the Committee on Governmental Affairs.

EC–4486. A communication from the Assistant Attorney General, Office of Justice Programs, Violence Against Women Office, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Grants to Combat Violent Crimes Against Women on Campuses'' (RIN1121–AA49) (OJP{OJP}–1206f), received July 23, 1999; to the Committee on the Judiciary.

EC–4487. A communication from the Deputy Executive Secretary, Office of Inspector General, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Revised OIG Sanction Authorities Resulting from Public Law 105–33'' (RIN0991–AA95), received July 23, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–4488. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Unclassified Foreign Visits and Assignments'' (N 142.1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4489. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Department of Energy Employee Concerns Program'' (O 442.1 and G 442.1–1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4490. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Management and Administration of Radiation Protection Programs Guide'' (DOE G 441.1–1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4491. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Occupational ALARA Program Guide'' (G 441.1–2), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4492. A communication from the Acting Assistant Secretary for Land and Minerals Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Gas Valuation Regulations for Indian Leases'' (RIN1010–AB57), received July 26, 1999; to the Committee on Indian Affairs.

EC–4493. A communication from the Acting Associate Chief, Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of the Forest Service for fiscal year 1998; to the Committee on Agriculture, Nutrition, and Forestry.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–280. A concurrent resolution adopted by the Legislature of the State of Utah relative to state-negotiated compliance actions related to the environment: to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION 3

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

Whereas, protection of public health and the environment are among the highest priorities of state governments;

Whereas, Congress has provided by statute for the delegation of certain federal program responsibilities to the states;

Whereas, to obtain delegation of federal environmental programs, a state must demonstrate that it has adopted laws, regulations, and policies as stringent as federal laws, regulations, and policies.

Whereas, over the past 25 years, the states have developed and demonstrated expertise in operation of federal environmental program enabling states to obtain and maintain the delegations;

Whereas, the state of Utah, Colorado, Montana, Wyoming, North Dakota, and South Dakota constitute an area designated by the Environmental Protection Agency (EPA) as Region VIII;

Whereas, the states in Region VIII make compliance with environmental laws, rules, and permits the highest priority;

Whereas, the state of Utah has full delegation in all federal environmental programs;

Whereas, the EPA and the states have bilaterally developed over the past 25 years policy agreements which reflect roles and which recognize that the primary responsibility for enforcement and compliance resides with the states, with the EPA taking enforcement action principally when the state requests assistance or is unwilling or unable to take timely and appropriate enforcement action;

Whereas, inconsistent with these policy agreements, the EPA has conducted direct federal inspections within programs delegated to states, has taken direct enforcement actions, has levied fines and penalties against regulated entities in cases where the state previously took appropriate action consistent with the agreements to bring the entities into compliance, and has failed to notify the states in advance of their action;

Whereas, the EPA had begun to use its enforcement authority in cases where the state had worked with the regulated entity to achieve compliance, and the overfiling by the EPA accomplished no further protection of the public health or environment but only imposed an additional penalty on the regulated entity;

Whereas, the EPA's current enforcement practices and policies and the resultant detailed oversight and overfiling of state actions substantially weaken the state's ability to take compliance actions and resolve environmental issues;

Whereas, the EPA's enforcement practices and policies have had an adverse impact on working relationships between the EPA and states;

Whereas, the EPA's reliance on the threat of enforcement action to force compliance may not result in environmental protection, but rather may result in delay and litigation, cripple incentives for technological innovation and provoke animosity between government, industry, and the public; and

Whereas, the Western Governor's Association has adopted ''Principles of Environmental Protection in the West,'' which encourages collaboration not polarization, advocates the replacement of command and control with economic incentives and rewarding results and encourages the weighing of costs against benefits in environmental decisions:

Now, therefore, be it *Resolved,* That the Legislature of the state of Utah, the Governor concurring therein, requests the EPA to refrain from overfiling or threatening to overfile on state-negotiated compliance actions if the actions achieve compliance with applicable state and federal law and are protective of health and the environment.

Be it further *Resolved,* That the Legislature and the Government request that the EPA, in taking enforcement and compliance actions, recognize and defer to individual state and local priorities that are important for the protection of the environment.

Be it further *Resolved,* That the EPA should work with and assist states in evaluating the overall effectiveness of state compliance programs and not focus on the detail of individual actions.

Be it further *Resolved,* That the Legislature and the Governor request the Congress of the United States to investigate EPA enforcement activities and require the EPA to defer to state enforcement and compliance actions in delegated states where the actions achieve compliance and are protective of health and the environment.

Be it further *Resolved,* That copies of this resolution be sent to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Utah congressional delegation, the Administrator of the U.S. Environmental Protection Agency, the Assistant Administrator of the U.S. EPA Office of Enforcement and Compliance, the Regional Administrator of the U.S. EPA Region VIII, the National Governor's Association, the National Council of State Legislators, the Council of State Governments, the Western Governor's Association, and the Environmental Council of the States.

POM–281. A joint resolution adopted by the Legislature of the State of Utah relative to Taiwan's participation in the World Health Organization; to the Committee on Foreign Relations.

HOUSE JOINT RESOLUTION 12

Be it resolved by the Legislature of the state of Utah:

Whereas, good health is a basic right for every citizen of the world and access to the highest standards of health information and services is necessary to help guarantee this right;

Whereas, direct and unobstructed participation in international health cooperation forms and programs is therefore crucial, especially with today's greater potential for the cross-border spread of various infectious diseases through increased trade and travel;

Whereas, the World Health Organization set forth in the first chapter of its charter the objective of attaining the highest possible level of health for all people;

Whereas, in 1977 the World Health Organization established ''Health for all by the year 2000'' as its overriding priority and reaffirmed that central vision with the initiation of its ''Health for All'' renewal process in 1995;

Whereas, Taiwan's population of 21 million people is larger than that of ¾ of the member states already in the World Health Organization and shares the noble goals of the organization;

Whereas, Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, the first country in the world to provide children with free hepatitis B vaccinations;

Whereas, prior to 1972 and its loss of membership in the World Health Organization, Taiwan sent specialists to serve in other member countries on countless health projects and its health experts held key positions in the organization, all to the benefit of the entire Pacific region;

Whereas, Taiwan is not allowed to participate in may World Health Organization-organized forums and workshops concerning the latest technologies in the diagnosis, monitoring, and control of diseases;

Whereas, in recent years both the Taiwanese Government and individual Taiwanese experts have expressed a willingness to assist financially or technically in World Health Organization-supported international aid and health activities, but have ultimately been unable to render such assistance;

Whereas, according to the constitutions of the World Health Organization, Taiwan does not fulfill the criteria for membership;

Whereas, the World Health Organization does not allow observers to participate in the activities of the organization; and

Whereas, in light of all of the benefits that such participation could bring to the state of health not only in Taiwan, but also regionally and globally:

Now, therefore, be it *Resolved,* That the Legislature of the state of Utah urge the Clinton Administration to support Taiwan and its 21 million people in obtaining appropriate and meaningful participation in the World Health Organization.

Be it further *Resolved,* That United States policy should include the pursuit of some initiative in the World Health Organization which will give Taiwan meaningful participation in a manner that is consistent with such organization's requirements.

Be it further *Resolved,* That a copy of this resolution be sent to the President of the United States, the United States Secretary of State, the Secretary of Health and Human Services, the Speaker of the United States House of Representatives, the members of Utah's congressional delegation, the Government of Taiwan, and the World Health Organization.

POM–282. A resolution adopted by the House of the Legislature of the State of Michigan relative to imported apple juice concentrate; to the Committee on Finance.

HOUSE RESOLUTION 51

Whereas. The production of apple juice concentrate is an important component of Michigan's agricultural bounty. Michigan, which is traditionally the third largest apple-growing state, is the nation's top apple-processing state. This record of consistency has been achieved in the face of many uncertain times in farming, including wild swings in our Midwestern weather; and

Whereas, In recent years, however, our apple growers and processors have come to face even more serious threats from foreign sources of apple juice concentrate selling their products in this country at artificially low costs. From an average imported price of apple juice concentrate of $10 per gallon in 1995, the price has fallen by fifty percent. This is far below the break-even point for American growers. Coupled with the erosion of export opportunities due to the troubled economies in the Asian markets, Michigan apple growers and those in other states face severe threats to their livelihood; and

Whereas, The opening up of markets that has taken place in the past few years has brought many benefits. However, there can be situations in which the removal of restrictions on trade offers the chance for abuses. When a country, for whatever purpose, encourages certain activities by helping a specific industry gain an unfair advantage through below-cost prices, steps need to be taken to ensure the viability of American economic and social interests. The United States Department of Agriculture has taken steps to assist certain American farmers on a number of occasions. The possibility of apple juice concentrate being ''dumped'' on the American market is a situation that demands immediate attention and thorough study; now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States to investigate the issue of apple juice concentrate from other countries being sold in the American market at prices below cost; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–283. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to tobacco settlement funds; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION 12

Whereas, on November 23, 1998, representatives from 46 states signed a settlement agreement with the 5 largest tobacco manufacturers; and

Whereas, the Attorneys General Master Tobacco Settlement Agreement culminated legal action that began in 1994 when states began filing lawsuits against the tobacco industry; and

Whereas, the respective states are presently in the process of finalizing the terms of the Mast Tobacco Settlement Agreement, and are making initial fiscal determinations relative to the most responsible ways and means to utilize the settlement funds; and

Whereas, under the terms of the agreement, tobacco manufacturers will pay $206 billion over the next 25 years to the respective states in up-front and annual payments; and

Whereas, New Hampshire is projected to receive $1,304,689,150 through the year 2025 under the terms of the Master Tobacco Settlement; and

Whereas, because many state lawsuits sought to recover Medicaid funds spent to treat illnesses caused by tobacco use, the Health Care Financing Administration (HCFA) contends that it is authorized and obligated, under the Social Security Act, to collect its share of any tobacco settlement funds attributable to Medicaid; and

Whereas, the Master Tobacco Settlement Agreement does not address the Medicaid recoupment issue, and thus the Social Security Act must be amended to resolve the recoupment issue in favor of the respective states; and

Whereas, as we move toward final approval of the Master Tobacco Settlement Agreement, it is imperative that state sovereignty be preserved; now, therefore, be it

Resolved by the State House of Representatives, the Senate concurring:

That the New Hampshire legislature urges the United States Congress to enact legislation amending the Social Security Act to prohibit recoupment by the federal government of state tobacco settlement funds; and

That it is the sense of the New Hampshire state legislature that the respective state legislatures should have complete autonomy over the appropriation and expenditure of state tobacco settlements funds; and

That the New Hampshire state legislature most fervently opposes any efforts by the federal government to earmark or impose any other restrictions on the respective states' use of state tobacco settlement funds; and

That copies of this resolution be transmitted by the house clerk to the President of the United States; the President and the Secretary of the United States Senate; the Speaker and the Clerk of the United States House of Representatives; and to each member of New Hampshire's congressional delegation.

POM–284. A concurrent resolution adopted by the Legislature of the State of Michigan relative to imported apple juice concentrate; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE CONCURRENT RESOLUTION 27

Whereas, The production of apple juice concentrate is an important component of Michigan's agricultural bounty. Michigan, which is traditionally the third largest apple-growing state, is the nation's top apple-processing state. This record of consistency has been achieved in the face of many uncertain times in farming, including wild swings in our Midwestern weather; and

Whereas, In recent years, however, our apple growers and processors have come to face even more serious threats from foreign sources of apple juice concentrate selling their products in this country at artificially low costs. From an average imported price of apple juice concentrate of $10 per gallon in 1995, the price has fallen by fifty percent. This is far below the break-even point for American growers. Coupled with the erosion of export opportunities due to the troubled economies in the Asian markets, Michigan apple growers and those in other states face severe threats to their livelihood; and

Whereas, The opening up of markets that has taken place in the past few years has brought many benefits. However, there can be situations in which the removal of restrictions on trade offers the chance for abuses. When a country, for whatever purpose, encourages certain activities by helping a specific industry gain an unfair advantage through below-cost prices, steps need to be taken to ensure the viability of American economic and social interests. The United States Department of Agriculture has taken steps to assist certain American farmers on a number of occasions. The possibility of apple juice concentrate being ''dumped'' on the American market is a situation that demands immediate attention and thorough study; now, therefore be it

Resolved by the house of representatives (the senate concurring), That we memorialize the Congress of the United States to investigate the issue of apple juice concentrate from other countries being sold in the American market at prices below cost, and to strengthen laws to identify the country of origin for all products using concentrate and to ensure that imported concentrate meets United States standards; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–285. A joint resolution adopted by the Legislature of the State of Utah relative to federal courts levying or increasing taxes; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION 5

Be it resolved by the Legislature of the state of Utah:

Whereas, separation of powers between the legislative, executive, and judicial branches of government is a fundamental principle upon which the United States Constitution is based;

Whereas, actions of one branch of government that encroach upon the duty and authority of another branch erode the Constitution's checks and balances against abuse of power by any branch;

Whereas, the United States Supreme Court has asserted that federal judges have the power under the United States Constitution to levy or increase taxes;

Whereas, this determination places the judicial branch of government in direct competition with state legislatures and limits the fiscal resources available to legislators to serve their constituents' needs;

Whereas, it also gives the federal judiciary a virtual veto-proof spending power over political choices and spending priorities of democratically elected state legislatures;

Whereas, federal courts continue to violate the United States Constitution by ordering states to levy or increase taxes to comply with federal mandates;

Whereas, a proposed amendment to the United States Constitution to prohibit the judiciary's encroachment reads: ''Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes''; and

Whereas, encroachments by one branch of government upon the authority of another branch must be prevented, by a constitutional amendment if necessary, to preserve the balance of power the founding fathers constructed:

Now, therefore, be it *Resolved*, That the Legislature of the state of Utah urge the United States Congress to amend the United States Constitution to prohibit federal courts from levying or increasing taxes.

Be it further *Resolved*, That a copy of this resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and to the members of Utah's congressional delegation.

POM–286. A resolution adopted by the City Council of Canton, Ohio relative to the proposed ''Civil Asset Forfeiture Reform Act''; to the Committee on the Judiciary.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT—PM 53

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 29, 1999.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 244. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes (Rept. No. 106–130).

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 761. A bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes (Rept. No. 106–131).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. John M. Pickler, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Larry R. Jordan, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. James T. Hill, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN:

S. 1467. A bill to extend the funding levels for aviation programs for 60 days; considered and passed.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. GRAMM, Mr. SARBANES, Mr. MCCONNELL, Mr. DODD, Mr. BENNETT, Mr. MACK, Mr. LEAHY, Mr. THURMOND, Mr. DOMENICI, Mr. GRAMS, Mr. JEFFORDS, Mr. CRAPO, Mr. COVERDELL, Mr. ROTH, Mr. INHOFE, Mr. BUNNING, Mr. DEWINE, Mr. SPECTER, Mr. HELMS, Mr. CAMPBELL, Mr. DORGAN, Mr. BURNS, Mr. GREGG, Mr. ENZI, Mr. WARNER, Mr. MURKOWSKI, Mr. COCHRAN, Mr. ROBERTS, Mr. NICKLES, Mr. SMITH of Oregon, Mr. CHAFEE, Mr. HUTCHINSON, Mr. STEVENS, Mr. CRAIG, Mr. THOMPSON, Mr. HAGEL, Mr. LUGAR, Mr. HOLLINGS, Mr. KENNEDY, Mr. KERRY, Ms. LANDRIEU, Mr. LEVIN, Mr. LAUTENBERG, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mr. BINGAMAN, Mr. BYRD, Mr. CLELAND, Mr. DURBIN, Mrs. FEINSTEIN, Mrs. MURRAY, Mr. SMITH of New Hampshire, Mr. TORRICELLI, Mr. BREAUX, Mr. SESSIONS, Mr. REID, Mr. ROBB, Mr. BRYAN, Mr. ROCKEFELLER, Mr. VOINOVICH, Mr. THOMAS, Mr. REED, Mr. KERREY, Mr. HATCH, Mr. FRIST, Mr. CONRAD, Mr. JOHNSON, Mr. BAUCUS, Mr. INOUYE, Ms. MIKULSKI, and Mr. GORTON):

S. 1468. A bill to authorize the minting and issuance of Capitol Visitor Center Commemorative coins, and for other purposes; considered and passed.

By Mr. CONRAD:

S. 1469. A bill to amend the Community Development Banking and Financial Institutions Act of 1994 with respect to population outmigration levels in rural areas; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LAUTENBERG:

S. 1470. A bill to amend the Clean Air Act to ensure that adequate actions are taken to detect, prevent, and minimize the consequences of accidental releases that result from criminal activity that may cause substantial harm to public health, safety, and the environment; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself, Mr. MCCAIN, Mr. STEVENS, and Mr. GRAHAM):

S. Res. 169. A resolution commending General Wesley K. Clark, United States Army; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:

S. 1469. A bill to amend the Community Development Banking and Financial Institutions Act of 1994 with respect to population out-migration levels in rural areas; to the Committee on Banking, Housing, and Urban Affairs.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) TECHNICAL CORRECTIONS ACT

Mr. CONRAD. Mr. President, I rise today to introduce the Community Development Financial Institutions Fund Technical Corrections Act.

This legislation will make the CDFI program more responsive to low-population rural areas. It will allow the program to fulfill its mission of building the capacity of financial institutions in parts of the country that have experienced chronic, sustained out-migration in recent years.

As many of my colleagues know, the CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. This program is intended to stimulate the creation and expansion of diverse community development financial institutions. The fund invests federal resources in—and builds the capacity of—private, for-profit and nonprofit financial institutions, leveraging private capital and private-sector talent and creativity. The fund invests in CDFI's using flexible tools such as equity investments, loans, grants, and deposits, depending upon market and institutional needs.

The Core Component is the CDFI Fund's main program. In order to be certified for funding, an entity must demonstrate that it has a primary mission of promoting community development, principally serves an underserved investment area or targeted population, makes loan or development investments as its predominant business activity, provides development services, maintains accountability to its target market, and is a non-government entity.

In order for a geographical area to be eligible for investment, one of a number of objectively-defined economic distress criteria must be met.

The problem, Mr. President, is that the objective measures of economic distress as currently defined by the CDFI Fund do not fully reflect economic distress in low-population areas. Allow me to share just a couple examples with my colleagues.

First, significant parts of low-population rural states like North Dakota have historically low unemployment rates and therefore cannot qualify on that basis. In many rural areas unemployment remains statistically nearly non-existent despite—and in fact because of—a lack of non-agricultural jobs. In rural North Dakota, the unemployed have little choice but to leave for urban areas.

The result is unemployment rates as low as two or three percent in rural parts of my state and the misleading

impression of a strong economy. It is also worth noting that such rural areas often suffer from high underemployment, rather than high unemployment.

Additionally, the CDFI Fund program considers an area economically distressed if median family income is at or below 80 percent of the national average, or if the percentage of the population living in poverty is at least 20 percent. Here again, Mr. President, these criteria do not accurately capture the level of economic distress in low-population rural areas. Prolonged out-migration in many rural areas due to the loss of family farms and a shortage of non-agricultural jobs keeps median incomes at higher levels.

There are other economic distress criteria in the CDFI program, Mr. President, but they all share one thing in common: they all fail to fully register the unique economic distress found in a good part of rural America.

This leads me to the most frustrating aspect of the CDFI program for many low-population rural areas. Current CDFI guidelines consider an area economically distressed and suffering from out-migration if county population loss between 1980 and 1990 was at least 10 percent. This effort to utilize out-migration figures as a measure of economic distress is laudable. However, the CDFI program does so in a manner that does nothing for many parts of rural America, including my state.

Mr. President, change in the size of a population has two components. One is what demographers term natural population growth. This is computed by subtracting deaths from births. The other variable is migration, which is determined by subtracting departures from arrivals.

If you assumed that out-migration-related economic distress was determined under the CDFI program by looking at out-migration numbers, you would be mistaken. In fact, birth and mortality rates are effectively factored into calculations of out-migration.

Instead of net migration loss, the determinate criterion under current CDFI guidelines is the change in the overall sum total of the population from 1980 to 1990. Consequently, many counties that have experienced a continual hemorrhage of population to the cities, but also which have robust birth rates and long life expectancies, have not qualified for the CDFI program.

Mr. President, this makes no sense. Natality and mortality rates have nothing to do with out-migration.

Just a couple of statistics illustrate why this problem needs to be fixed. Nearly every non-metro county in North Dakota experienced a more than 10 percent net migration loss between 1980 and 1990. However, today only slightly more than two thirds of rural North Dakota counties qualify for the CDFI program because the program's guidelines measure overall population change, not net migration loss. Birth rates have been high enough and lifespans long enough to hide the real story of out-migration in a dozen counties in my state.

Mr. President, instead of wheat or sunflowers, the top export in many parts of farm country is people. Unless they can find work in the shrinking agriculture industry, increasing numbers of Americans who were born and raised in the rural Upper Great Plains are being forced to the cities to find work. They become statistics in a continuing and under-recognized exodus driven by economic depression, one that is destroying two of our nation's greatest assets: its small towns and family farms.

Mr. President, I want to see the CDFI program work for rural America, to help save our rural communities and keep people on the land. Today, I am introducing legislation that will help it do just that.

Mr. President, my bill is very simple. It amends the Riegle Community Development and Regulatory Improvement Act of 1994 to allow non-metro counties to qualify for the CDFI program if net migration loss—rather than just overall population loss—was at least 10 percent during the years 1980 to 1990.

Let me be clear: my bill does not strike any part of the Riegle Act and does not make major revisions to that landmark legislation. Rather, my bill makes a technical, perfecting correction that will help make the CDFI Fund work as intended for rural America. Consequently, I have entitled this measure the CDFI Technical Corrections Act.

Eighteen states and the District of Columbia, had populations of fewer than two million people during the 1990 Census, Mr. President. That is roughly one-third of the states. Yet of all the Core Component loans the CDFI Fund has made over the past three years, only about 12 percent have been to entities in these low-population states. The CDFI economic distress criteria need to be changed to more accurately reflect the level of economic distress in much of rural America. I urge my colleagues to join me in fixing the CDFI economic distress criteria by passing my technical corrections bill.

By Mr. LAUTENBERG:

S. 1470. A bill to amend the Clean Air Act to ensure that adequate actions are taken to detect, prevent, and minimize the consequences of accidental releases that result from criminal activity that may cause substantial harm to public health, safety, and the environment; to the Committee on Environment and Public Works.

CHEMICAL SECURITY ACT OF 1999

● Mr. LAUTENBERG. Mr. President, I rise to introduce the Chemical Security Act of 1999, a bill which will address the threat of criminal attack on chemical facilities.

The FBI and the Agency for Toxic Substances and Disease Registry have warned us that the possibility of terrorist and criminal attacks on chemical plants is a serious threat to public safety. The scenarios they describe are truly chilling.

The concerns about criminal attack on chemical plants were initially raised in the context of Internet access to chemical accident information. Some were concerned that criminals could use chemical accident information, gained through the Internet, to target their attacks. In response, we will soon send a bill to the President that will balance the benefits of public access to chemical accident information against the threat of criminal attack.

However, Mr. President, the underlying issue is not Internet access to such information—no resourceful criminal needs the Internet to find a chemical plant to attack. A chemical plant target can be found by driving through neighborhood, reading a city map, or accessing information already available from government and business sources.

The real issue is the vulnerability of chemical facilities to attack—a vulnerability which can arise from a lack of adequate security at chemical facilities, as well as the use of inherently hazardous chemical operations, even when safer technologies are available.

The Chemical Security Act of 1999 will directly address the potential danger of criminal attack on chemical facilities. First, the Act will clarify that it is the general duty of chemical facilities under the Clean Air Act to reduce their own vulnerability to criminal attack. Second, it will require the Attorney General, within one year, to determine whether chemical facilities are taking adequate measures to reduce their vulnerability to criminal attacks that could cause substantial harm to public health, safety, and environment. Third, if the Attorney General finds that chemical facilities are not taking such actions, the Act will require the Attorney General, in consultation with the Environmental Protection Agency, within two years, to promulgate regulations requiring appropriate measures to detect, prevent, and minimize the consequences of such criminal attack.

Mr. President, the American public has the right to chemical facilities that are safe from criminal attack.

I urge my colleagues to co-sponsor this legislation.●

ADDITIONAL COSPONSORS

S. 218

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 218, a bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 285

At the request of Mr. MCCAIN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a

cosponsor of S. 285, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the medicare program, and for other purposes.

S. 526

At the request of Mr. HAGEL, his name was added as a cosponsor of S. 526, a bill to amend the Internal Revenue Code of 1986 to allow issuance of tax-exempt private activity bonds to finance public-private partnership activities relating to school facilities in public elementary and secondary schools, and for other purposes.

S. 805

At the request of Mr. DURBIN, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. REED), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 877

At the request of Mr. BROWNBACK, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 877, a bill to encourage the provision of advanced service, and for other purposes.

S. 1023

At the request of Mr. MOYNIHAN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1023, a bill to amend title XVIII of the Social Security Act to stabilize indirect graduate medical education payments.

S. 1036

At the request of Mr. KOHL, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1036, a bill to amend parts A and D of title IV of the Social Security Act to give States the option to pass through directly to a family receiving assistance under the temporary assistance to needy families program all child support collected by the State and the option to disregard any child support that the family receives in determining a family's eligibility for, or amount of, assistance under that program.

S. 1131

At the request of Mr. EDWARDS, the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 1131, a bill to promote research into, and the development of an ultimate cure for, the disease known as Fragile X.

S. 1145

At the request of Mr. LEAHY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1145, a bill to provide for the appointment of additional Federal circuit and district judges, and for other purposes.

S. 1269

At the request of Mr. MCCONNELL, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 1269, a bill to provide that the Federal Government and States shall be subject to the same procedures and substantive laws that would apply to persons on whose behalf certain civil actions may be brought, and for other purposes.

S. 1277

At the request of Mr. BAUCUS, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1277, supra.

S. 1300

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1300, a bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined plan by the adoption of a plan amendment reducing future accruals under the plan.

S. 1438

At the request of Mr. CAMPBELL, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1438, a bill to establish the National Law Enforcement Museum on Federal land in the District of Columbia.

S. 1449

At the request of Mr. CONRAD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1449, a bill to amend title XVIII of the Social Security Act to increase the payment amount for renal dialysis services furnished under the medicare program.

SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

AMENDMENT NO. 1411

At the request of Mr. ABRAHAM the names of the Senator from Ohio (Mr. DEWINE), the Senator from Oklahoma (Mr. INHOFE), the Senator from Maine (Ms. COLLINS), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of amendment No. 1411 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1426

At the request of Mr. THURMOND his name was added as a cosponsor of amendment No. 1426 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

At the request of Mr. ABRAHAM his name was added as a cosponsor of amendment No. 1426 proposed to S. 1429, supra.

AMENDMENT NO. 1441

At the request of Mr. DORGAN the names of the Senator from Virginia (Mr. ROBB), the Senator from Wisconsin (Mr. KOHL), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of amendment No. 1441 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1442

At the request of Mr. BREAUX the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of amendment No. 1442 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1454

At the request of Mr. KENNEDY his name was added as a cosponsor of amendment No. 1454 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

At the request of Mr. WELLSTONE his name was added as a cosponsor of amendment No. 1454 proposed to S. 1429, supra.

AMENDMENT NO. 1455

At the request of Mr. ABRAHAM the name of the Senator from Nebraska

(Mr. HAGEL) was added as a cosponsor of amendment No. 1455 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1460

At the request of Mr. STEVENS the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. BREAUX), the Senator from Alabama (Mr. SHELBY), the Senator from Washington (Mr. GORTON), the Senator from Washington (Mrs. MURRAY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of amendment No. 1460 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1479

At the request of Mr. JOHNSON the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of amendment No. 1479 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1480

At the request of Mr. COVERDELL his name was added as a cosponsor of amendment No. 1480 intended to be proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1488

At the request of Mr. STEVENS the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. BREAUX), the Senator from Alabama (Mr. SHELBY), the Senator from Washington (Mr. GORTON), the Senator from Washington (Mrs. MURRAY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of amendment No. 1488 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

SENATE RESOLUTION 169—COMMENDING GENERAL WESLEY K. CLARK, UNITED STATES ARMY

Mr. COCHRAN (for himself, Mr. MCCAIN, and Mr. STEVENS) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 169

Whereas General Wesley K. Clark has had a long and distinguished military career, which includes graduating first in the class of 1966 from the United States Military Academy at West Point and serving in command positions at every level in the United States Army, culminating in service concurrently in the positions of Supreme Allied Commander, Europe and Commander-in-Chief of the United States European Command;

Whereas General Clark was integral to the formulation of the Dayton Accords;

Whereas General Clark most recently distinguished himself by his tireless, resourceful, and successful leadership of the first military action of the North Atlantic Treaty Organization despite severe constraints; and

Whereas General Clark's record of exemplary and dedicated service is an example which all military officers should seek to emulate and is deserving of special recognition: Now, therefore, be it

Resolved, That (a) the United States Senate commends and expresses its gratitude to General Wesley K. Clark, United States Army, for his outstanding record of military service to the United States of America.

(b) The Secretary of the Senate shall transmit a copy of this resolution to General Wesley K. Clark.

Mr. COCHRAN. Mr. President, I am submitting today a resolution which commends General Wesley K. Clark for his outstanding service to the United States. I am pleased to be joined by Mr. MCCAIN and Mr. STEVENS as cosponsors of the resolution.

I was sorry to learn from the Wednesday morning's newspapers that General Clark would be leaving his current post, where he serves simultaneously as the NATO Supreme Allied Commander Europe and as Commander-in-Chief of the United States European Command, before his tour was scheduled to end. When General Clark retires next year, the United States will be losing one of its finest officers. And I say that not just because of what he just accomplished in successfully leading NATO forces into battle for the first time, but because of the exemplary record General Clark compiled over 33 years of service to our Nation.

Wes Clark graduated first in his class from West Point in 1966, and was selected to attend Oxford University as a Rhodes Scholar. After graduating from Oxford General Clark distinguished himself in Vietnam, where he commanded a mechanized infantry company in combat. General Clark went on to command two other companies, as well as an armor battalion at Fort Carson, Colorado, a brigade in the 4th Infantry Division, also at Fort Carson, the National Training Center at Fort Irwin, California, the 1st Calvary Division at Fort Hood, Texas, and the United States Southern Command, headquartered in Panama.

I won't list the numerous staff jobs in which General Clark has served, but I do point out that General Clark, as the Director of Strategic Plans and Policy on the Joint Staff, was integral to the formulation of the Bosnian Peace Accords, negotiated in Dayton. In reviewing the numerous positions General Clark has held since he graduated from West Point, it is beyond question that Wes Clark is an officer who has served our Nation well during the last 33 years.

I recently had a chance to visit with General Clark at his headquarters in Brussels. Despite months of getting little sleep, I'm told it was about four hours per night, General Clark was able to explain to me clearly and in detail our military operations in Kosovo and Serbia. His grasp of every nuance of every plan and option, was evident, and only reinforced his reputation for thoroughness. Nothing demonstrates his reputation for thoroughness and resourcefulness. Nothing demonstrates this more clearly than one simple fact: In an environment where General Clark was operating under severe constraints, he led NATO forces to victory. He was tireless; he was imaginative; and ultimately, he was victorious.

This resolution commends General Clark and expresses the Senate's gratitude to him not just because of his recent service, but because of his lifetime of service. General Clark deserves recognition not only for achieving results, but also for his personal integrity. His record of saying what he believes should be said without respect to whether that is what other people necessarily want to hear is an example that others should seek to emulate.

General Wes Clark has had a career distinguished by exemplary and dedicated service to our Nation. I urge the adoption of the Senate of this resolution.

The PRESIDING OFFICER. The Senator from the great State of Arkansas.

Mr. HUTCHINSON. Mr. President, first of all, I commend the distinguished Senator from Mississippi for the introduction of this resolution. I associate myself with his remarks. I note for the RECORD, among the biographical comments that Senator COCHRAN made concerning General Clark, special emphasis on the fact that he hails from Little Rock, AK.

So with my fellow Arkansans, we express our pride at General Clark and his exemplary career, the service he has rendered our country with great distinction. I commend the Senator from Mississippi for introducing, I think, a very important resolution.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks. We appreciate very much his cosponsorship of the resolution.

AMENDMENTS SUBMITTED

AGRICULTURE APPROPRIATIOINS FOR FY 2000

BAUCUS AMENDMENT NO. 1495

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (S. 1233) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7___. SENSE OF THE SENATE CONCERNING ACTIONS BY THE WORLD TRADE ORGANIZATION RELATING TO TRADE IN AGRICULTURAL COMMODITIES.—

(a) FINDINGS.—The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security would advance the interests of the farm community of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities; and

(2) as part of the multilateral negotiations, members of the World Trade Organization should agree to renounce the use of unilateral sanctions to prohibit, restrict, or condition agricultural exports.

TAXPAYERS REFUND ACT OF 1999

ROTH (AND MOYNIHAN) AMENDMENT NO. 1496

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill, S. 1429, supra; as follows:

On page 10, strike the matter between lines 19 and 20 (as added by the Hutchison amendment), and insert:

"Calendar year:	Applicable dollar amount:
2006	$4,000
2007 and thereafter	$5,000.

On page 11, strike the matter before line 1 (as added by the Hutchison amendment), and insert:

"Calendar year:	Applicable dollar amount:
2006	$2,000
2007 and thereafter	$2,500.

On page 11, line 3, strike ''2008'' (as added by the Hutchison amendment) and insert ''2007''.

On page 11, line 11, strike ''2007'' (as added by the Hutchison amendment) and insert ''2006''.

On page 19, line 7, strike ''50'' and insert ''40''.

In the section at the end of title II relating to expansion of adoption expenses (as added by the Landrieu amendment), strike ''$7,500'' and insert ''$10,000''.

On page 75, line 6, strike ''section 401(a)(11)'' and insert ''sections 401(a)(11) and 411(b)(1)(H)''.

On page 87, line 3, strike ''Section'' and insert ''Except as provided in subsection (b)(4)(A), section''.

On page 153, strike lines 17 and 18, and insert:

''(2) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made.''

On page 158, strike lines 8 and 9, and insert:

''(B) an individual account plan which is subject to the funding standards of section 302.

Such term shall not include a governmental plan (within the meaning of section 3(32)) or a church plan (within the meaning of section 3(33)) with respect to which an election under section 410(d) of the Internal Revenue Code of 1986 has not been made.''

On page 161, after line 23, insert:

SEC. ___. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___. INCREASE IN SECTION 415 EARLY RETIREMENT LIMIT FOR GOVERNMENTAL AND OTHER PLANS.

(a) IN GENERAL.—Subclause (II) of section 415(b)(2)(F)(i), as amended by section 346(c), is amended—

(1) by striking ''$75,000'' and inserting ''80 percent of the dollar amount in effect under paragraph (1)(A)'', and

(2) by striking ''the $75,000 limitation'' and inserting ''80 percent of such dollar amount''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

On page 180, after line 24, insert:

SEC. 370A. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $500,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

On page 195, strike lines 4 through 9, and insert:

SEC. 404. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking ''May 31, 2000'' and inserting ''December 31, 2003''.

On page 202, between lines 9 and 10, insert:

SEC. ___. CERTAIN EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME AS A SCHOLARSHIP.

(a) IN GENERAL.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) EMPLOYER-PROVIDED EDUCATIONAL BENEFITS PROVIDED TO CHILDREN OF EMPLOYEES.—

''(1) IN GENERAL.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

''(A) such amount is provided by the employer to a child (as defined in section 161(c)(3)) of an employee of such employer,

''(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

''(C) amounts provided under such plan are in addition to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

''(2) DOLLAR LIMITATIONS.—

''(A) PER CHILD.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

''(B) AGGREGATE LIMIT.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year (after the application of subparagraph (A)) shall not exceed the excess of the dollar amount contained in section 127(a)(2) over the amount excluded from the employee's gross income under section 127 for such year.

''(3) PRINCIPAL SHAREHOLDERS AND OWNERS.—Paragraph (1) shall not apply to any amount provided to any child of any individual if such individual (or such individual's spouse) owns (on any day of the year) more than 5 percent of the stock or of the capital or profits interest in the employer.

''(4) DEGREE REQUIREMENT NOT TO APPLY.—In the case of an amount which is treated as a qualified scholarship by reason of this subsection, subsection (a) shall be applied without regard to the requirement that the recipient be a candidate for a degree.

''(5) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (7) of section 127(c) shall apply for purposes of this subsection.''

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

On page 216, line 1, insert ''and fishing'' after ''farm''.

On page 225, after line 24, insert:

SEC. ___. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.

(a) IN GENERAL.—Section 2057(a)(2) (relating to maximum deduction) is amended by striking ''$675,000'' and inserting ''$1,975,000''.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking ''$675,000'' each place it appears in the text and heading and inserting ''$1,975,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45E. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

''(1) 60 percent in the case of self-only coverage, and

''(2) 70 percent in the case of family coverage (as defined in section 220(c)(5)).

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

''(1) $1,000 in the case of self-only coverage, and

''(2) $1,715 in the case of family coverage (as so defined).

''(d) DEFINITIONS.—For purposes of this section—

''(1) SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), but

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2001, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus'', and by adding at the end the following:

''(15) the employee health insurance expenses credit determined under section 45E.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(10) NO CARRYBACK OF SECTION 45E CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45E may be carried back to a taxable year ending before January 1, 2001.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45E. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2000.

On page 268, between lines 3 and 4, insert the following:

SEC. ___. HOLDING PERIOD REDUCED TO 12 MONTHS FOR PURPOSES OF DETERMINING WHETHER HORSES ARE SECTION 1231 ASSETS.

(a) IN GENERAL.—Subparagraph (A) of section 1231(b)(3) (relating to definition of property used in the trade or business) is amended by striking ''and horses''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

On page 318, line 20, strike ''increased'' and insert ''decreased''.

On page 321, between lines 4 and 5, insert the following flush sentence:

Notwithstanding the preceding sentence, such securities shall be taken into account in determining whether such trust fails to meet the requirements of section 856(c)(4)(B) of such Code (as amended by such amendments) if such trust acquires or receives securities to which the preceding sentence does not apply.

On page 337, line 15, insert ''on or'' before ''before''.

On page 341, between lines 23 and 24, insert:

''(C) EARNINGS AND PROFITS.—The earnings and profits of any Native Corporation making a contribution to a Settlement Trust

shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

''(i) such Trust's total undistributed net income for all prior years during which an election under paragraph (2) is in effect, and

''(ii) such Trust's distributable net income.

On page 364, beginning on line 15, strike ''under section 1216 of the Transportation Equity Act for the 21st Century, as in effect on July 21, 1999,''.

On page 371, between lines 16 and 17, insert the following:

SEC. ___. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LAND OWNER.

(a) IN GENERAL.—Subsection (b) of section 631 (relating to disposal of timber with a retained economic interest) is amended—

(1) by inserting ''AND OUTRIGHT SALES OF TIMBER'' after ''ECONOMIC INTEREST'' in the subsection heading, and

(2) by adding before the last sentence the following new sentence: ''The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner thereof if such owner owned the land (at the time of such sale) from which the timber is cut.''

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

SEC. ___. CREDIT FOR CLINICAL TESTING RESEARCH EXPENSES ATTRIBUTABLE TO CERTAIN QUALIFIED ACADEMIC INSTITUTIONS INCLUDING TEACHING HOSPITALS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 41 the following:

''SEC. 41A. CREDIT FOR MEDICAL INNOVATION EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, the medical innovation credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

''(1) the qualified medical innovation expenses for the taxable year, over

''(2) the medical innovation base period amount.

''(b) QUALIFIED MEDICAL INNOVATION EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified medical innovation expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified academic institution for clinical testing research activities.

''(2) CLINICAL TESTING RESEARCH ACTIVITIES.—

''(A) IN GENERAL.—The term 'clinical testing research activities' means human clinical testing conducted at any qualified academic institution in the development of any product, which occurs before—

''(i) the date on which an application with respect to such product is approved under section 505(b), 506, or 507 of the Federal Food, Drug, and Cosmetic Act (as in effect on the date of the enactment of this section),

''(ii) the date on which a license for such product is issued under section 351 of the Public Health Service Act (as so in effect), or

''(iii) the date classification or approval of such product which is a device intended for human use is given under section 513, 514, or 515 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

''(B) PRODUCT.—The term 'product' means any drug, biologic, or medical device.

''(3) QUALIFIED ACADEMIC INSTITUTION.—The term 'qualified academic institution' means any of the following institutions:

''(A) EDUCATIONAL INSTITUTION.—A qualified organization described in section 170(b)(1)(A)(iii) which is owned by, or affiliated with, an institution of higher education (as defined in section 3304(f)).

''(B) TEACHING HOSPITAL.—A teaching hospital which—

''(i) is publicly supported or owned by an organization described in section 501(c)(3), and

''(ii) is affiliated with an organization meeting the requirements of subparagraph (A).

''(C) FOUNDATION.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

''(i) an organization meeting the requirements of subparagraph (A), or

''(ii) a teaching hospital meeting the requirements of subparagraph (B).

''(D) CHARITABLE RESEARCH HOSPITAL.—A hospital that is designated as a cancer center by the National Cancer Institute.

''(4) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified medical innovation expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the taxpayer during the 3-taxable year period ending with the taxable year immediately preceding the first taxable year of the taxpayer beginning after December 31, 1998.

''(d) SPECIAL RULES.—

''(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

''(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

''(3) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

''(4) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES AND WITH CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expense for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 or 45C for such taxable year.''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credits), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the medical innovation expenses credit determined under section 41A(a).''.

(2) TRANSITION RULE.—Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF SECTION 41A CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the medical innovation credit determined under section 41A may be carried back to a taxable year beginning before January 1, 1999.''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C, as amended by this Act, is amended by adding at the end the following new subsection:

''(e) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical innovation expenses (as defined in section 41A(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

''(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.''.

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and by inserting after paragraph (4) the following new paragraph:

''(5) the medical innovation expenses credit determined under section 41A(a) (other than such credit determined under the rules of section 280C(d)(2)),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 41 the following:

''Sec. 41A. Credit for medical innovation expenses.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

NOTICE OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. McCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, August 4, 1999 at 9:15 a.m. in Room SR–301 Russell Senate Office Building, to receive testimony on committee funding resolutions.

For further information concerning this meeting, please contact Tamara Somerville at the Rules Committee.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOSWKI. Mr. President, I would like to announce that a full committee oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will take place Tuesday, August 10, 1999 at 8:00 a.m. at the 2nd Floor of the Federal Building and U.S. Court House, 7th & C Street in Anchorage, AK.

The purpose of this hearing is to receive testimony on the implementation of the Alaska National Interest Lands Conservation Act. The hearing will focus on how the Act has been interpreted and implemented by federal regulators since its passage in December of 1980. There will be testimony from the Administration, state and local officials, and other interested parties.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. Presentation of oral testimony is by Committee invitation only. For further information, please contact Jo Meuse or Brian Malnak.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CHARLES W. ALSUP, USA

● Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to a great patriot, soldier, and father, Colonel Charles W. Alsup. After nearly 28 years of dedicated service around the world, Colonel Alsup will retire from the United States Army on September 30, 1999. Colonel Alsup was born in Birmingham, Alabama. He enlisted in the Army in 1971 as a private and was later commissioned as a Military Intelligence Second Lieutenant upon completion of the Infantry Officer Candidate School at Fort Benning, Georgia.

Throughout his military career, Colonel Alsup distinguished himself as a true professional and an exceptional leader. His initial assignments included: a tour with 8th Special Forces Group, Fort Gulick, Panama; duties as a counterintelligence special agent and staff officer with the 902th Military Intelligence Group, Fort Meade, MD; and intelligence officer, 4th Battalion, 69th Armor Regiment, 8th Infantry Division in Mainz, Germany during the height of the Cold War. He successfully commanded at the company, battalion, and brigade levels, culminating with the prestigious 501st Military Intelligence Brigade, Yongsan, Korea.

Colonel Alsup also excelled at a variety of teaching and staff officer positions, including Reserve Officer Training Corps duty at the University of Alabama; Staff Group Leader, Combined Arms and services Staff School, Fort Leavenworth; Director of Intelligence, 24th Infantry Division, Fort Stewart, GA; Director of Intelligence, Eight U.S. Army, Yongsan, Korea; and duty on the Army Staff in Legislative Liaison and the Directorate for Operations and Plans.

Colonel Alsup's final assignment as Assistant Director of Intelligence for the Joint Staff, Washington, DC, showcased his superior grasp of national intelligence issues, his impressive management skills, and his ability to perform under pressure. Colonel Alsup provided unparalleled intelligence support to the senior leadership of the Executive and Legislative Branches, contributing significantly to their understanding of national level crisis and contingencies. His positive impact on the Joint Staff, the Defense Intelligence Agency, and the intelligence community will be felt for years to come.

Colonel Alsup is a distinguished graduate of the U.S. Army Command and General Staff College, Fort Leavenworth and the Naval War College, Newport, Rhode Island. His awards and decorations include the Defense Superior Service Medal, the Legion of Merit with Oak Leaf Cluster, the Meritorious Service Medal with Four Oak Leaf Clusters, the Army Commendation Medal with two Oak Leaf Clusters, the Special Forces Tab, the Senior Parachutist Badge, and the Ranger Tab.

Through his distinctive accomplishments, Colonel Charles W. Alsup culminates a distinguished career in the service of his country and reflects great credit upon himself, the United States Army, the Defense Intelligence Agency, and the Department of Defense.

I wish every success to Colonel Alsup as he finishes his truly remarkable military career and thank him for a job exceedingly well done.●

TRIBUTE TO RICHARD TORTORELLI

● Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Richard Tortorelli of Milford, New Hampshire, who has retired from the Milford Fire Department after 41 years of service.

Richard began his career with the Milford Fire Department while in high school. At the age of 21, he joined the fire department as an on-call fire fighter. In 1986, he became the first full-rime Fire Chief in Milford's history. Under his leadership, the fire department has seen many changes: a move from Town Hall in 1974 into the current station, a change from a one-town dispatch center to the regional Milford Area Communication Center, and equipment updates along with specialized training.

Even though Richard works in one of the most dangerous professions in the country, he has never lost a member of his department. One of the most rewarding aspects of his career is that the number of fire calls in Milford has decreased over the years. He acknowledges that teaching fire prevention is not as thrilling as fighting a fire, however it is very important.

I would like to thank Chief Tortorelli for his service to the Town of Milford, and his dedication and leadership to the Milford Fire Department. I commend Richard for his exemplary career and tireless efforts. I wish him luck in his future endeavors. It is an honor to represent him in the United States Senate.●

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, appoints the Senator from Virginia (Mr. WARNER) to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a term ending October 11, 2004.

UNANIMOUS CONSENT AGREEMENT—S. 335

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that at 1 p.m. on Monday, August 2, the Senate proceed to the consideration of Calendar No. 191, S. 335, and that it be considered under the following limitations: 2 hours of total debate on the legislation equally divided between Senator COLLINS and Senator LEVIN or their designees; the only amendment in order be a managers' amendment offered by Senators COLLINS and LEVIN. I further ask unanimous consent that following the expiration or yielding back of debate time and the disposition of the managers' amendment, the bill be read a third time and then temporarily set aside. I finally ask unanimous consent that at 5:30 p.m. on Monday, the Senate proceed to a vote on passage of the bill with no intervening action or debate.

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

ORDER FOR PRINTING OF S. 1344

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that S. 1344, the Patients' Bill of Rights Plus Act, as amended and passed by the Senate on July 15, 1999, be printed as a document of the Senate.

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

EXTENSION OF FUNDING LEVELS FOR AVIATION PROGRAMS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1467 introduced earlier today by Senator MCCAIN.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1467) to extend the funding levels for aviation programs for 60 days.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Mr. President, I rise in support of S. 1467. This bill will extend the Federal Aviation Administration's, FAA, Airport Improvement Program, AIP, for sixty days. It is critical that Congress complete the authorization for this program for this fiscal year. Otherwise, the FAA will be prohibited from issuing much-needed grants to airports in every state, regardless of whether or not funds have been appropriated. In fact, there are still nearly $300 million in appropriated funds for the current fiscal year that cannot be spent because AIP authority expires on August 6.

If we do not act to reauthorize this program for at least the remainder of this fiscal year, we will cause harm to the transportation infrastructure of our country. AIP grants play a critical part in airport development. Without these grants, important safety, security, and capacity projects will be hampered throughout the country. Therefore, we must act swiftly.

The safety of the traveling public depends upon the continued flow of AIP monies. For example, airports use these funds to install instrument landing systems, which help guide airplanes to safe landings when visibility is impaired. AIP funds are also used for airport safety projects related to runway

approach lighting; aircraft deicing equipment; snow removal equipment; repair of damaged runways; rescue and firefighting equipment; and runway safety areas for aircraft that have trouble stopping after a landing. It is my understanding that AIP funds were used to construct an innovative ''arrestor bed'' at the end of a runway at New York's JFK Airport. A few months ago, that arrestor bed prevented a commuter plane from plunging into a bay. It was credited with saving lives on that flight.

This bill will also extend the Aviation Insurance Program, which is commonly known as the War Risk Insurance Program. It provides insurance for commercial aircraft that are operating in high-risk areas, such as countries at war or on the verge of war. Commercial insurers will not usually provide coverage for such operations, which are often required to further U.S. foreign policy or national security objectives. For example, commercial airlines were needed to ferry troops and equipment to the Middle East for Operations Desert Shield and Desert Storm. If War Risk Insurance had not been available, our troops may not have been adequately supported.

This extension will also give us more time to work on a more comprehensive aviation bill that is still desperately needed. We have been working hard to accommodate the concerns that many Senators have with respect to provisions in S. 82, the Air Transportation Improvement Act. I believe we can bring a bill to the floor that will require very little of the Senate's time.

Mr. President, I urge all of my colleagues to support swift passage of this short-term extension of the AIP. If we fail to act, the FAA will not be able to address vital security and safety needs in every State in the Nation. We must reaffirm our commitment to providing the public with a safe and efficient air transportation system. This bill will help us meet that goal.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

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

The bill (S. 1467) was read the third time and passed, as follows:

S. 1467

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

SECTION 1. EXTENSION OF AIRPORT IMPROVEMENT PROGRAM, ETC.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 of title 49, United States Code, is amended by striking ''$2,050,000,000 for the period beginning October 1, 1998 and ending August 6, 1999.'' and inserting $2,410,000,000 for the fiscal year ending September 30, 1999, and $34,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''.

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) of such title is amended by striking ''August 6, 1999,'' and inserting ''October 5, 1999,''.

(c) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 of such title is amended by striking ''August 6, 1999.'' and inserting ''October 5, 1999.''.

(d) AIRWAY FACILITIES IMPROVEMENT PROGRAM.—Section 48101(a) of such title is amended by adding at the end thereof the following:

''(4) $30,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''

(e) FAA OPERATIONS.—Section 106(k) of such title is amended by striking ''1999.'' and inserting ''1999,'' and $80,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''.

(f) LIQUIDATION OF CONTRACT AUTHORIZATION.—The provision of the Department of Transportation and Related Agencies Appropriations Act, 1999, with the caption ''GRANTS-IN-AID FOR AIRPORT (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)'' is amended by striking ''Code: *Provided further,* That no more than $975,000,000 of funds limited under this heading may be obligated prior to the enactment of a bill extending contract authorization for the Grants-in-Aid for Airports program to the third and fourth quarters of fiscal year 1999.'' and inserting ''Code.''.

UNITED STATES CAPITOL VISITOR CENTER COMMEMORATIVE COIN ACT OF 1999

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1468 introduced earlier today by Senators LOTT, DASCHLE, and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1468) to authorize the minting and issuance of Capitol Visitor Center Commemorative coins, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

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

The bill (S. 1468) was read the third time and passed, as follows:

S. 1468

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 ''United States Capitol Visitor Center Commemorative Coin Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) Congress moved to Washington, District of Columbia, and first convened in the Capitol building in the year 1800;

(2) the Capitol building is now the greatest visible symbol of representative democracy in the world;

(3) the Capitol building has approximately 5,000,000 visitors annually and suffers from a lack of facilities necessary to properly serve them;

(4) the Capitol building and persons within the Capitol have been provided with excellent security through the dedication and sacrifice of the United States Capitol Police;

(5) Congress has appropriated $100,000,000, to be supplemented with private funds, to construct a Capitol Visitor Center to provide continued high security for the Capitol and enhance the educational experience of visitors to the Capitol;

(6) Congress would like to offer the opportunity for all persons to voluntarily participate in raising funds for the Capitol Visitor Center; and

(7) it is appropriate to authorize coins commemorating the first convening of the Congress in the Capitol building with proceeds from the sale of the coins, less expenses, being deposited for the United States Capitol Preservation Commission with the specific purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

SEC. 3. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—The Secretary of the Treasury (hereafter in this Act referred to as the ''Secretary'') shall mint and issue the following coins:

(1) BIMETALLIC COINS.—Not more than 200,000 $10 bimetallic coins of gold and platinum, in accordance with such specifications as the Secretary determines to be appropriate.

(2) $1 SILVER COINS.—Not more than 500,000 $1 coins, which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(3) HALF DOLLAR.—Not more than 750,000 half dollar clad coins, each of which—

(A) shall weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) $5 GOLD COINS.—If the Secretary determines that the minting and issuance of bimetallic coins under subsection (a)(1) is not feasible, the Secretary may mint and issue instead not more than 100,000 $5 coins, which shall—

(1) weigh 8.359 grams;

(2) have a diameter of 0.850 inches; and

(3) contain 90 percent gold and 10 percent alloy.

(c) WAIVER.—Each of the mintage levels specified in subsection (a) may be waived in accordance with section 5112(m)(2)(B) of title 31, United States Code.

(d) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 4. SOURCES OF BULLION.

(a) PLATINUM AND GOLD.—The Secretary shall obtain platinum and gold for minting coins under this Act from available sources.

(b) SILVER.—The Secretary may obtain silver for minting coins under this Act from stockpiles established under the Strategic and Critical Materials Stock Piling Act, and from other available sources.

SEC. 5. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the first meeting of the United States Congress in the United States Capitol Building.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act, there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year ''2000''; and

(C) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary, after consultation with the United States Capitol

Preservation Commission (in this Act referred to as the ''Commission'') and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 6. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality of the coins minted under this Act.

(c) FIRST USE OF YEAR 2000 DATE.—The coins minted under this Act shall be the first commemorative coins of the United States to be issued bearing the inscription of the year ''2000''.

(d) PROMOTION CONSULTATION.—The Secretary shall—

(1) consult with the Commission in order to establish a role for the Commission or an entity designated by the Commission in the promotion, advertising, and marketing of the coins minted under this Act; and

(2) if the Secretary determines that such action would be beneficial to the sale of coins minted under this Act, enter into a contract with the Commission or an entity referred to in paragraph (1) to carry out the role established under paragraph (1).

SEC. 7. SALE OF COINS.

(a) SALE PRICE.—The coins minted under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales under this Act shall include a surcharge established by the Secretary, in an amount equal to not more than—

(1) $50 per coin for the $10 coin or $35 per coin for the $5 coin;

(2) $10 per coin for the $1 coin; and

(3) $3 per coin for the half dollar coin.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins minted under this Act shall be deposited in the Capitol Preservation Fund in accordance with section 5134(f) of title 31, United States Code, and shall be made available to the Commission for the purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations, en bloc: Executive Calendar Nos. 96, 168, 170, 171, 174, 177 through 188, 190 and 194, all nominations on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy. I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

REFORM BOARD (AMTRAK)

Sylvia de Leon, of Texas, to be a Member of the Reform Board (Amtrak) for a term of five years. (New Position)

DEPARTMENT OF DEFENSE

F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force.

DEPARTMENT OF ENERGY

Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2004. (Reappointment)

THE JUDICIARY

Charles R. Wilson, of Florida, to be United States Circuit Judge for the Eleventh Circuit.

William Haskell Alsup, of California, to be United States District Judge for the Northern District of California.

AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Gary H. Murray, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Robert H. Foglesong, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Charles R. Heflebower, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Lansford E. Trapp, Jr., 0000

ARMY

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Zannie O. Smith, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Lawson W. Magruder, III, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Johnny M. Riggs, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel G. Brown, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael W. Ackerman, 0000

NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Alberto Diaz, Jr., 0000
Rear Adm. (lh) Bonnie B. Potter, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Robert J. Natter, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Gregory G. Johnson, 0000

AGENCY FOR INTERNATIONAL DEVELOPMENT

J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development.

DEPARTMENT OF STATE

Evelyn Simonowitz Lieberman, of New York, to be Under Secretary of State of Public Diplomacy. (New Position)

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Larita A. Aragon, and ending James J. White, which nominations were received by the Senate and appeared in the Congressional Record of June 30, 1999.

Air Force nominations beginning Milton C. Abbott, and ending Scott J. Zobrist, which nominations were received by the Senate and appeared in the Congressional Record of July 1, 1999.

Army nominations beginning Richard F. Ballard, and ending Su T. Kang, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Donald M. Cinnamond, and ending George R. Silver, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Kimberly J. Ballantyne, and ending Stephen C. Ulrich, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Denise D. Adams, and ending Tami M. Zalewski, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning George D. Lanning, and ending Gregory J. Zanetti, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Army nominations beginning Phil C. Alabata, and ending Joseph J. Zubak, which nominations were received by the Senate and appeared in the Congressional Record of June 28, 1999.

Army nominations beginning Gary W. Ace, and ending X4393, which nominations were received by the Senate and appeared in the Congressional Record of July 19, 1999.

Marine Corps nominations beginning David J. Abel, and ending Raymon Zapata, Jr., which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Marine Corps nominations beginning Charles E. Headden, and ending Robert L. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 30, 1999.

Marine Corps nominations of James R. Judkins, which was received by the Senate and appeared in the Congressional Record of July 14, 1999.

Navy nominations beginning Michael K. Abate, and ending Gregg W. Ziemke, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Navy nominations of Laurel A. May, which was received by the Senate and appeared in the Congressional Record of June 28, 1999.

Navy nominations beginning Dean D. Hager, and ending David F. Sanders, which nominations were received by the Senate and appeared in the Congressional Record of July 14, 1999.

Navy nominations beginning Scott R. Barry, and ending Charles L. Taylor, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 1999.

Navy nominations beginning Lloyd B.J. Callis, and ending Michelle L. Wulff, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 1999.

NOMINATION OF CURTIS L. HEBERT, JR.

Mr. LOTT. Mr. President, today the Senate is returning a very distinguished and qualified Commissioner back to the Federal Energy Regulatory Commission. I am pleased that my good friend Curtis L. Hebert, Jr. of Pascagoula, Mississippi is that Commissioner.

As a former member of the Senate Energy and Natural Resources Committee, I appreciate the high standard that FERC nominees are held to during committee consideration. Throughout Curt's nearly two-year tenure as a FERC Commissioner, he demonstrated that he has not only the knowledge, but the determination and skills to get the job done. He has been a responsible and able federal steward of the utility industry across the United States. I expect that he will continue to serve the FERC and our nation with the same enthusiasm and foresight.

Before Curt came to Washington, he served the state of Mississippi as a member and a chair of the Public Service Commission for several years. During that time, he demonstrated the ability to balance the diverse utility interests in our state. This was no easy task. Mississippi is the home to both public and private power companies, PUHCAs and providers of all sizes. Curt was also my representative in the Mississippi legislature, where he did an excellent job. Curt has proven that he has the skills necessary to address the needs of each of these entities, while keeping the best interest of the consumer in mind.

Congress must recognize that national electric utility deregulation is on the horizon. How and when a new system will be created remains to be seen. What is certain, however, is that the FERC will be instrumental in guiding Congress toward competition in the utility industry. I am confident that Curt has the experience and insight necessary to help us reach the right balance of interests. Most importantly, Curt understands what deregulation means at the state level. Already, Congress has witnessed deregulation of several states, but Congress will value the FERC's input concerning deregulation.

There is no industry as complex as the utility world—and none that impacts the lives of Americans more directly every hour of every day. The challenges ahead are great and must be tackled head on. There is no denying that the FERC Commissioners have their work cut out for them.

I have enjoyed working with Curt, and spending time with his wife, Virginia, and their two children, Lane and Ashley. They are an authentic, Mississippi family.

I am pleased that the Senate has unanimously confirmed Curt Hebert as a member of the FERC, thus ensuring that the future of the electric utility industry is in good hands. I congratulate him on this accomplishment and wish him the best of luck in the future.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

REJECTING THE CONCLUSIONS OF THE PSYCHOLOGICAL BULLETIN

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that H. Con. Res. 107 be discharged from the HELP Committee and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 107) expressing the sense of Congress rejecting the conclusions of a recent article published in the Psychological Bulletin, a journal of the American Psychological Association, that suggests that sexual relationships between adults and children might be positive for children.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HUTCHINSON. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 107) was agreed to.

The preamble was agreed to.

UNANIMOUS CONSENT AGREEMENT—H. CON. RES. 168

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate receives receives H. Con. Res 168 from the House, it be considered as agreed to and the motion to reconsider be laid upon the table.

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

ORDERS FOR MONDAY, AUGUST 2, 1999

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until noon on Monday, August 2.

I further ask that when the Senate reconvenes on Monday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until 1 p.m., with Senators to speak therein for up to 5 minutes each, with the following exceptions: Senator THOMAS for up to 30 minutes, and Senator DASCHLE, or his designee, for up to 30 minutes, beginning at noon on Monday.

Mr. President, I further ask unanimous consent that, at 1 p.m., the Senate proceed to S. 335, regarding sweepstakes, under the previous order, with a vote to occur on passage of the bill at 5:30 p.m. on Monday.

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

UNANIMOUS CONSENT AGREEMENT—S. 1233

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the Agriculture Appropriations bill, S. 1233, at 3 p.m. on Monday.

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

PROGRAM

Mr. BENNETT. Mr. President, for the information of all Senators, when the Senate reconvenes on Monday, there will be an hour for morning business, to be followed by 2 hours for debate on the sweepstakes bill. At 3 p.m. on Monday, the Senate will resume the Agriculture Appropriations bill, and the next rollcall vote will occur at 5:30 p.m. Monday, August 2, on passage of S. 335. Additional votes could occur relative to the Agriculture Appropriations bill.

ADJOURNMENT UNTIL MONDAY, AUGUST 2, 1999

Mr. BENNETT. 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 3:37 p.m., adjourned until Monday, August 2, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 30, 1999:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUSAN M. WACHTER, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE MICHAEL A. STEGMAN, RESIGNED.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ZELL MILLER, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2000, VICE SIMON FERRO, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 30, 1999:

REFORM BOARD (AMTRAK)

SYLVIA DE LEON, OF TEXAS, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

DEPARTMENT OF DEFENSE

F. WHITTEN PETERS, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF THE AIR FORCE.

DEPARTMENT OF ENERGY

CURT HEBERT, JR., OF MISSISSIPPI, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2004.

AGENCY FOR INTERNATIONAL DEVELOPMENT

J. BRADY ANDERSON, OF SOUTH CAROLINA, TO BE ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

DEPARTMENT OF STATE

EVELYN SIMONOWITZ LIEBERMAN, OF NEW YORK, TO BE UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

CHARLES R. WILSON, OF FLORIDA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE ELEVENTH CIRCUIT.

WILLIAM HASKELL ALSUP, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. GARY H. MURRAY, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. ROBERT H. FOGLESONG, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. CHARLES R. HEFLEBOWER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. LANSFORD E. TRAPP, JR., 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ZANNIE O. SMITH, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. LAWSON W. MAGRUDER III, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JOHNNY M. RIGGS, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. DANIEL G. BROWN, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL W. ACKERMAN, 0000.

NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) ALBERTO DIAZ, JR., 0000.
REAR ADM. (LH) BONNIE B. POTTER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. ROBERT J. NATTER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. GREGORY G. JOHNSON, 0000.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING LARITA A. ARAGON, AND ENDING JAMES J. WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 30, 1999.

AIR FORCE NOMINATIONS BEGINNING MILTON C. ABBOTT, AND ENDING SCOTT J. ZOBRIST, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 1, 1999.

IN THE ARMY

ARMY NOMINATIONS BEGINNING RICHARD F. BALLARD, AND ENDING SU T. KANG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING DONALD M. CINNAMOND, AND ENDING GEORGE R. SILVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING KIMBERLY J. BALLANTYNE, AND ENDING STEPHEN C. ULRICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING *DENISE D. ADAMS, AND ENDING *TAMI M. ZALEWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING GEORGE D. LANNING, AND ENDING GREGORY J. ZANETTI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

ARMY NOMINATIONS BEGINNING PHIL C. ALABATA, AND ENDING JOSEPH J. ZUBAK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 28, 1999.

ARMY NOMINATIONS BEGINNING GARY W. ACE, AND ENDING X4393, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 19, 1999.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING DAVID J. ABEL, AND ENDING RAYMON ZAPATA, JR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

MARINE CORPS NOMINATIONS BEGINNING CHARLES E. HEADDEN, AND ENDING ROBERT L. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 30, 1999.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

JAMES R. JUDKINS, 0000.

NAVY

NAVY NOMINATIONS BEGINNING MICHAEL K. ABATE, AND ENDING GREGG W. ZIEMKE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

LAUREL A. MAY, 0000.

NAVY NOMINATIONS BEGINNING DEAN D. HAGER, AND ENDING DAVID F. SANDERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 14, 1999.

NAVY NOMINATIONS BEGINNING SCOTT R. BARRY, AND ENDING CHARLES L. TAYLOR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 1999.

NAVY NOMINATIONS BEGINNING LLOYD B. J. CALLIS, AND ENDING MICHELLE L. WULFF, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 1999.