By Mr. BENNETT (for himself, Mr. DODD, Mr. MOYNIHAN, Mr. KOHL, and Mr. ROBB) (by request):

S. 2392. A bill to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000; to the Committee on the Judiciary.I16By Mr. MURKOWSKI:

S. 2393. A bill to protect the sovereign right of the State of Alaska and prevent the Secretary of Agriculture and the Secretary of the Interior from assuming management of Alaska's fish and game resources; read the first time.

By Mr. ROTH (for himself and Mr. MOYNIHAN) (by request):

S. 2394. A bill to amend section 334 of the Uruguay Round Agreements Act to clarify the rules of origin with respect to certain textile products; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAHAM (for himself, Mrs. MURRAY, Mr. DORGAN, Mr. SARBANES, Mr. LEVIN, Mr. MOYNIHAN, Mr. BYRD, Mr. DODD, Mr. AKAKA, Mr. LAUTENBERG, Mr. DURBIN, Mrs. BOXER, Ms. LANDRIEU, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. DEWINE, Mr. FAIRCLOTH, Mr. SPECTER, Mr. BOND, and Mr. COCHRAN):

S. Res. 260. A resolution expressing the sense of the Senate that October 11, 1998, should be designated as ''National Children's Day''; to the Committee on the Judiciary.

By Mr. BROWNBACK:

S. Res. 261. A resolution requiring the privatization of the Senate barber and beauty shops and the Senate restaurants; to the Committee on Rules and Administration.

By Mr. ROTH (for himself and Mr. BINGAMAN):

S. Res. 262. A resolution to state the sense of the Senate that the government of the United States should place priority on formulating a comprehensive and strategic policy of engaging and cooperating with Japan in advancing science and technology for the benefit of both nations as well as the rest of the world; to the Committee on Foreign Relations.

By Mr. WARNER:

S. Res. 263. A resolution to authorize the payment of the expenses of representatives of the Senate attending the funeral of a Senator; considered and agreed to.

By Mr. LOTT:

S. Con. Res. 114. A concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives; considered and agreed to.

By Mr. WARNER:

S. Con. Res. 115. A concurrent resolution to authorize the printing of copies of the publication entitled ''The United States Capital'' as a Senate document; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for Mr. LOTT (for himself, Mr. HAGEL, Mr. ROBERTS, Mr. BURNS, Mr. CRAIG, Mr. SHELBY, Mr. SESSIONS, and Mr. THOMAS)):

S. 2371. A bill to amend the Internal Revenue Code of 1986 to reduce individual capital gains tax rates and to provide tax incentives for farmers; to the Committee on Finance.

FAMILY INVESTMENT AND RURAL SAVINGS TAX ACT

Mr. GRASSLEY. Mr. President, today several of us from rural States and the leadership of the Senate take a step to help America's farmers as representatives of States with major agricultural economies. All of us introducing this legislation agree that farmers are facing some difficult times.

While we must do what we can to make sure that farmers survive for the short term, the key to the agricultural economic situation is long-term solutions. While we can't eliminate every risk and we can't control every factor that governs the success of the family farm, there are initiatives that we can pursue that will help smooth out some of the bumps that are in the road.

That is why today several of us are introducing the FIRST Act, the Family Investment and Rural Savings Tax Act of 1998. As I said at the outset, there are some genuine problems in the ag community. Some parts of the country are experiencing problems that are worse than we are seeing in my own State of Iowa. We can offer reforms that address short-term and long-term needs.

To address short-term needs and help give farmers that extra support that some will need to get through this year, I have joined with several of my colleagues in supporting legislation that will speed up transition payments, payments that would be made during 1999 and could, upon election by individual farmers, be taken in 1998. In my State of Iowa, that will bring 36 cents per bushel into the farmer's income in 1998 that would otherwise not be there.

But the focus of this legislation which I am speaking about today, the FIRST Act, is to address long-term need, because what I just described to you, advancing the transition payments, is obviously a short-term solution.

What we are saying is that we must ensure economic stability for everyone first through the transition proposition I described, and then we must help our farmers plan for the future.

This measure takes a three-prong approach to assist farmers and families through tax reform.

The first section of our bill reduces the capital gains tax rate for individuals from 20 percent to 15 percent. This will spur growth, entrepreneurship and help farmers make the most of their capital assets. It will also encourage movement of capital investment from one generation to the other to help young farmers get started.

This language builds on the capital gains tax reform that we made in last year's Tax Relief Act.

Secondly, the FIRST Act includes my legislation that creates savings accounts for farmers. This initiative would allow farmers to make contributions to tax-deferred accounts. These Grassley savings accounts, as I call them, will give farmers a tool to control their lives. This savings account legislation will encourage farmers to save during good years to help cushion the fall from the inevitable bad years. The accounts will give farmers even greater freedom in their business decisions rather than giving the Government more authority over farmers and their lives.

As a working farmer myself, and an American, I know that we want to control our own destiny. We want to manage our own business. We want to make those decisions that are connected with being a good business operator. We do not want to have to wait for the bureaucrats at the USDA in Washington, DC, in that bureaucracy to tell us how many acres of corn and how many acres of soybeans that we can plant. This allows, through the balancing out of income, the leveling out of the peaks and valleys from one year to another, because in farming, it seems to be all boom or all bust. This farmers' savings account that I suggest will give farmers an opportunity to do that.

Finally, our tax legislation allows for the permanent extension of income averaging. Income averaging helps farmers because when prices are low and when farmers' income goes down, their tax burden will also be lowered. This helps farmers prepare for the especially volatile nature of their income.

This is a tough time for a lot of farmers. I know there is a great deal of anxiety among farmers about what the future might bring. This proposal will help them to know that we in Congress recognize the particular difficulties they face in trying to plan for the future. I, along with other Members who have worked on this bill, believe that our initiatives will provide farmers with additional financial insurance they need to help face the future.

The initiatives of this legislation have been endorsed by virtually every major agricultural organization. These organizations know that these measures are what farmers need to have more confidence and security in the future.

I am very pleased to see the majority leader, TRENT LOTT, the Senator from Mississippi, taking a strong stand in favor of this. I thank my colleagues who have worked with me on this legislation. We all agree that passing this measure as soon as possible is one of the best things that we can do for our farmers in our States and across the country.

This legislation is a long-term solution. It helps our farmers and our families survive and to keep control of their own decisions, so that we can let Washington make decisions for Washington but let farmers make decisions for themselves.

The bottom line, Mr. President, is right now we are facing a variety of troubling circumstances: an economic crisis in southeast Asia, a drought combined with the hot weather in

Texas today, fires in Florida, too much wheat coming across the Canadian border, unfairly, to drive down the price of wheat in North Dakota, and the prospect of having bumper crops this year and big carryovers from last year. These are things that are beyond the control of the family farmer.

Because we in family farming assume the responsibility—each one of us—of feeding, on average, 126 other people, we must keep the family farms strong as a matter of national policy, as a matter of good economics. We do that not because of nostalgia for family farmers but because when there is a good supply of food, the urban populations of this country are going to feel more secure and more certain about the future.

We want to continually remind people, though, through actions of this Congress that we in the Congress know that food grows on farms, it does not grow in supermarkets. If there were not farmers producing, if there were not the labor and processing people, if there were not truckers and trains taking the food from the farm to the city, we would not have the high quality of food we have, we would not have the quantity of food we have, we would not have the stability that we have in our cities, we would not have the quality of life that we have beyond food for the American people. Let's not forget that food as a percentage of disposable income at about 11 percent is cheaper for the American consumer than any consumer anywhere else in the world.

This legislation that we are all introducing is in support of maintaining that sort of environment for the people of America, and also as we export food for people around the world. We are committed to it, but also as a Congress we are committed to maintaining the family farm as well. So I introduce this bill for Senator LOTT, myself, Senator HAGEL, Senator ROBERTS, Senator BURNS, Senator CRAIG, Senator SHELBY, and Senator SESSIONS. I thank my colleagues for their hard work and support.

I yield the floor.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Thank you, Mr. President.

Mr. President, I rise to support, as an original cosponsor, the Family Investment and Rural Savings Tax Act of 1998. I thank the majority leader, Senator LOTT, for working with many of us to make tax relief for farmers and ranchers a very top priority this year.

Mr. President, I am not a farmer. When I want advice about agricultural issues, I ask farmers, I ask ranchers. About a month ago, the Senators offering this bill, and several others concerned about the problems facing rural America, agriculture today, right now, sat down with every major farm and commodity group in America. These representatives of American agriculture—real agriculture—told us the same thing I hear repeatedly from ranchers and farmers across my State of Nebraska: ''We do not want to go back to the failed Government supply and demand policies of the past.'' That is clear. They told us very clearly that there are three things—three things—Congress can do to help America's farmers and ranchers: One, open up more export markets; two, tax relief; and, three, reduce Government regulation. This, after all, Mr. President, was indeed the promise of the 1996 Freedom to Farm Act.

Those of us on the floor today and our colleagues have been working very hard over the last few months to open more markets overseas, especially in the area of dealing with unilateral sanctions. And we are going to keep pushing aggressively for important export tools, important for all of America, not just American agriculture, important tools like fast track, and reform and complete funding for the IMF.

This bill we are introducing today goes to the second point. It will provide real and meaningful tax relief, tax relief to America's agricultural producers. It will provide farmers and ranchers with the tools they need in managing the unique financial situations that they alone face on their farms and ranches.

This bill has three provisions, which Senator GRASSLEY has just outlined accurately and succinctly: One, the farm and ranch risk management accounts; two, the permanent extension of income averaging for farmers; and, three, reduction of capital gains rates not just for American agriculture but for all of America.

Mr. President, I have said over the last 2 years I would like to see the capital gains tax completely eliminated. But that is a debate for another day. However, this bill is a major step in the right direction. This bill will mean lower taxes for our farmers and ranchers and many Americans. It is the right thing to do.

I hope a majority of my colleagues will join us in support of this bill, an important bill for America, an important bill for our farmers and ranchers.

Mr. THOMAS. Mr. President, I rise for just a moment to thank the Senator from Nebraska and the Senator from Iowa for their leadership on this agricultural issue that we have before us. I join as an original cosponsor to the effort.

It seems to me that clearly there are two areas that have to be pursued. The Senator from Nebraska talked about one, and that is seeking to reopen and to strengthen these foreign markets that are there that are critical to agricultural production.

One of the areas, of course, in this matter is unilateral sanctions, of which some action has already been taken in the case of Pakistan and India. We need to do more of that. The other, of course, is to do something domestically. I agree entirely that we should not try to return to the managed agriculture that we had before, but to continue to move towards market agriculture in which our production is based on demand. But it is a difficult transition. And that, coupled with the Asian crisis, coupled with the fact that, particularly in the northern tier and in the south, we have had drought, we have had floods, we have had freezes—we have had a series of difficult things that lend to the difficulty of agriculture.

So I am pleased that the Congress has taken some steps. I think this idea of moving forward with the transition payments is a good idea.

Certainly we can do that for farmers. Then if we can provide a farmer savings account which will allow them to have these payments, in advance, without being taxed until they are used, is a good one.

Certainly, as the Senator from Nebraska has indicated, I, too, favor the idea of reducing and, indeed, eventually eliminating the capital gains taxes. I just want to say I support this very much.

There perhaps are other activities that we can undertake that will be helpful, but we do need to get started. I think this is a good beginning. I want to say again that I appreciate the leadership of the Senator from Iowa and the Senator from Nebraska.

I yield the floor.

Mr. CRAIG addressed the Chair.

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

Mr. CRAIG. Mr. President, I, too, have come to the floor this morning to thank you, and certainly the Senator from Iowa, the Senator from Wyoming, who has been involved with us, along with our leader, TRENT LOTT, Senator BURNS of Montana, Senator ROBERTS, and myself in looking at the current agricultural situation in this country, which is very concerning to all of us as commodity prices plummet in the face of what could be record harvests and as foreign markets diminish because of the Asian crisis and world competition.

As a result of that, we have come together to look at tools that we could bring to American agriculture, production agriculture, farmers and ranchers, that would assist them now and into the future to build stability there and allow them not only to invest but to save during years of profit in a way that is unique for American agricultural.

In 1986, when this Congress made sweeping tax reform, they eliminated income averaging. I was in the House at that time and I opposed that legislation. I remember an economist from the University of Virginia saying that it would take a decade or more, but there would come a time when all of us in Congress would begin to see the problems that a denial of income averaging would do to production agriculture; that slowly but surely the ability to divert income during cyclical market patterns would, in effect, weaken production agriculture at the farm

and ranch level to a point that they could not sustain themselves during these cyclical patterns. Bankruptcies would occur; family operations that had been in business for two or three generations would begin to fail.

We are at that point. We have been at that point for several years. I remember the words of that economist in a hearing before one of the House committees echoing, saying, ''Don't do this. This is the wrong approach.'' In those days, though, I wasn't, but others in Congress were anxious to crank up the money and spend it here in Washington and return it in farm products, recycle it, skim off the 15 or 20 percent that it oftentimes takes to run a government operation, and then somehow appear to be magnanimous by returning it in some form of farm program.

That day is over. We ought to be looking at the tools that we can offer production agriculture of the kind that is now before the Senate in the legislation that we call the Family Investment and Rural Savings Act, not only looking at a permanency income averaging, but looking at real estate depreciation, recapturing, and a variety of tools that we think will be extremely valuable to production agriculture at a time when they are in very real need.

Also, the transition payments' extension that we have talked about moving forward to give some immediate cash to production agriculture, that is appropriate under the Freedom to Farm transitions in which we are currently involved, becomes increasingly valuable.

I join today and applaud those who have worked on this issue, to bring it immediately, and I hope that we clearly can move it in this Congress, to give farmers and ranchers today those tools—be it drought or be it a very wet year or be it the collapse of foreign markets. Prices in some of our commodity areas today are at a 20-plus year low, yet, of course, the tractor and the combine purchased is at an all-time high.

I do applaud those who have worked with us in bringing this legislation to the floor, and I thank the chairman for the time.

I yield the floor.

The PRESIDING OFFICER. The distinguished former chairman of the House Agriculture Committee, the Senator from Kansas.

Mr. ROBERTS. I thank the Presiding Officer and the distinguished Senator from Wyoming.

Mr. ROBERTS. Mr. President, I am pleased to join my friends and colleagues in introducing the Family Investment and Rural Savings Tax (FIRST) Act. I would especially like to thank our Leader, Senator LOTT, for his strong commitment to this effort. His dedication and interest in these important issues should underscore how serious we are about providing tax relief and improvements for farmers and ranchers before the 105th Congress adjourns.

America's producers are currently experiencing a troubling time. Thanks in large part to the Asian economic crisis and the Administration's inability to open up new markets for U.S. farm products, commodity prices across the board have fallen to dangerously low levels. Low prices, combined with isolated weather-related problems in some regions of the country on one hand and election-year posturing on the other, have prompted some of our Democratic colleagues to call for a return to the failed agriculture policies of the past. They support loan programs that price the United States out of the world market. They support a return to the system whereby the U.S. Government is in the grain business. And they support a return to command-and-control agriculture whereby producers are required to limit their production in a foolish and futile attempt to try to bolster commodity prices. These policies did not work for 50 years and they will not work now.

The FIRST Act is designed to address the real needs of producers today. The FIRST Act provides tax relief for every farmer and rancher in the United States. Specifically, income averaging—which was an important component of the 1996 tax bill—would become permanent, the capital gains tax brackets would be cut by 25 percent across the board and a new Farm and Ranch Risk Management Account would be established to allow producers to manage the volatile shifts in farm income from one year to another.

I specifically want to address the capital gains tax cut and the FARRM accounts. The capital gains tax represents one of the most burdensome, expensive provisions of the U.S. Tax Code for America's farmers and ranchers and for America's families. Production agriculture is a capital-intensive business. Without equipment and inputs—expensive equipment and inputs—you simply can't survive in the incredibly competitive agriculture world. Therefore, because of the tremendous costs of depreciating that expensive equipment, the capital gains tax hits farmers and ranchers especially hard. In addition, today the Congress encourages middle-income families to save for their future in part to take pressure off of the Social Security system. However, we continue to allow capital gains taxes to hit America's families twice. Investors' money is taxed both as income when they get their paycheck and as capital gain when they make a smart investment. That's a strange and counterproductive way to encourage personal responsibility and savings for the future. As a result, I am very grateful to our Majority Leader for including the ''Crown Jewel'' of his tax and Speaker GINGRICH's tax bill in the FIRST Act today and I look forward to working with the Leader to pass meaningful tax relief before the Senate adjourns.

I also want to address the creation of the new FARRM Accounts. While Chairman of the House Agriculture Committee, I was charged with producing the 1996 farm bill. As we were producing that legislation, I wanted very badly to create what I called a ''farmer IRA.'' Basically, the farmer IRA would be a rainy day account whereby if a farmer or rancher had a good year, he could invest part of his profits in a tax-deferred account. Then, when a bad year hits, he could withdraw that money to offset the downturn. That's exactly what the FARRM Accounts would do. Producers will be able to invest up to 20 percent of their Schedule F (farm) income in any interest-bearing account. They may withdraw that money at any time during a five-year period. If passed, FARRM Accounts will correct the huge problem in our existing Tax Code that encourages producers to buy a new tractor or combine at the end of the year in order to reduce taxable income instead of saving for the future. Again, I wanted to do this during the farm bill but we ran out of time. I'm very pleased that the Congress may finally get the opportunity to provide the flexibility and tax relief producers so desperately need.

I want to thank my colleagues again for their leadership in this area and I look forward to working with them and the rest of the Senate to pass this important legislation.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 2371

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Family Investment and Rural Savings Tax Act''.

(b) TABLE OF CONTENTS.—

TITLE I—REDUCTION IN INDIVIDUAL CAPITAL GAINS TAX RATES

SEC. 101. REDUCTION IN INDIVIDUAL CAPITAL GAINS TAX RATES.

(a) IN GENERAL.—Subsection (h) of section 1 of the Internal Revenue Code of 1986 is amended to read as follows:

''(h) MAXIMUM CAPITAL GAINS RATE.—

''(1) IN GENERAL.—If a taxpayer has a net capital gain for any taxable year, the tax imposed by this section for such taxable year shall not exceed the sum of—

''(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on taxable income reduced by the net capital gain,

''(B) 7.5 percent of so much of the net capital gain (or, if less, taxable income) as does not exceed the excess (if any) of—

''(i) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 28 percent, over

''(ii) the taxable income reduced by the net capital gain, and

''(C) 15 percent of the amount of taxable income in excess of the sum of the amounts on which tax is determined under subparagraphs (A) and (B).

''(2) NET CAPITAL GAIN TAKEN INTO ACCOUNT AS INVESTMENT INCOME.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii).''

(b) ALTERNATIVE MINIMUM TAX.—Paragraph (3) of section 55(b) of such Code is amended to read as follows:

''(3) MAXIMUM RATE OF TAX ON NET CAPITAL GAIN OF NONCORPORATE TAXPAYERS.—The amount determined under the first sentence of paragraph (1)(A)(i) shall not exceed the sum of—

''(A) the amount determined under such first sentence computed at the rates and in the same manner as if this paragraph had not been enacted on the taxable excess reduced by the net capital gain,

''(B) 7.5 percent of so much of the net capital gain (or, if less, taxable excess) as does not exceed the amount on which a tax is determined under section 1(h)(1)(B), and

''(C) 15 percent of the amount of taxable excess in excess of the sum of the amounts on which tax is determined under subparagraphs (A) and (B).''

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 1445(e) of such Code is amended by striking ''20 percent'' and inserting ''15 percent''.

(2) The second sentence of section 7518(g)(6)(A) of such Code, and the second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, are each amended by striking ''20 percent'' and inserting ''15 percent''.

(3) Section 311 of the Taxpayer Relief Act of 1997 is amended by striking subsection (e).

(4) Paragraph (7) of section 57(a) of such Code (as amended by the Internal Revenue Service Restructuring and Reform Act of 1998) is amended by striking the last sentence.

(5) Paragraphs (11) and (12) of section 1223, and section 1235(a), of such Code (as amended by the Internal Revenue Service Restructuring and Reform Act of 1998) are each amended by striking ''18 months'' each place it appears and inserting ''1 year''.

(d) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE JUNE 24, 1998.—

(1) IN GENERAL.—Subsection (h) of section 1 of such Code (as amended by the Internal Revenue Service Restructuring and Reform Act of 1998) is amended by adding at the end the following new paragraph:

''(14) SPECIAL RULES FOR TAXABLE YEARS WHICH INCLUDE JUNE 24, 1998.—For purposes of applying this subsection in the case of a taxable year which includes June 24, 1998—

''(A) Gains or losses properly taken into account for the period on or after such date shall be disregarded in applying paragraph (5)(A)(i), subclauses (I) and (II) of paragraph (5)(A)(ii), paragraph (5)(B), paragraph (6), and paragraph (7)(A).

''(B) The amount determined under subparagraph (B) of paragraph (1) shall be the sum of—

''(i) 7.5 percent of the amount which would be determined under such subparagraph if the amount of gain taken into account under such subparagraph did not exceed the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date, plus

''(ii) 10 percent of the excess of the amount determined under such subparagraph (determined without regard to this paragraph) over the amount determined under clause (i).

''(C) The amount determined under subparagraph (C) of paragraph (1) shall be the sum of—

''(i) 15 percent of the amount which would be determined under such subparagraph if the adjusted net capital gain did not exceed the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date, plus

''(ii) 20 percent of the excess of the amount determined under such subparagraph (determined without regard to this paragraph) over the amount determined under clause (i).

''(D) Rules similar to the rules of paragraph (13)(C) shall apply.''

(2) ALTERNATIVE MINIMUM TAX.—Paragraph (3) of section 55(b) of such Code (as amended by the Internal Revenue Service Restructuring and Reform Act of 1998) is amended by adding at the end the following new sentence: ''For purposes of applying this paragraph for a taxable year which includes June 24, 1998, rules similar to the rules of section 1(h)(14) shall apply.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning on or after June 24, 1998.

(2) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE JUNE 24, 1998.—The amendments made by subsection (d) shall apply to taxable years beginning before such date and ending on or after June 24, 1998.

(3) WITHHOLDING.—The amendment made by subsection (c)(1) shall apply only to amounts paid after the date of the enactment of this Act.

(4) CERTAIN CONFORMING AMENDMENTS.—The amendments made by subsection (c)(5) shall take effect on June 24, 1998.

TITLE II—TAX INCENTIVES FOR FARMERS

SEC. 201. FARM AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 of the Internal Revenue Code of 1986 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following new section:

''SEC. 468C. FARM AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm and Ranch Risk Management Account (hereinafter referred to as the 'FARRM Account').

''(b) LIMITATION.—The amount which a taxpayer may pay into the FARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business.

''(c) ELIGIBLE FARMING BUSINESS.—For purposes of this section, the term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(3) EXCLUSION FROM SELF-EMPLOYMENT TAX.—Amounts included in gross income under this subsection shall not be included in determining net earnings from self-employment under section 1402.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account

on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FARRM Account shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits. For purposes of the preceding sentence, income of such an Account shall be treated as a deposit made on the date such income is received by the Account.

''(2) CESSATION IN ELIGIBLE FARMING BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business, there shall be deemed distributed from the FARRM Account (if any) of the taxpayer an amount equal to the balance in such Account at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(B) Section 408(e)(4) (relating to effect of pledging account as security).

''(C) Section 408(g) (relating to community property laws).

''(D) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made within 3½ months after the close of such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(g) REPORTS.—The trustee of a FARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by those regulations.''

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

''(18) CONTRIBUTIONS TO FARM AND RANCH RISK MANAGEMENT ACCOUNTS.—The deduction allowed by section 468C(a).''

(c) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 of such Code (relating to tax on certain excess contributions) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following new paragraph:

''(4) a FARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 of such Code is amended by adding at the end the following new subsection:

''(g) EXCESS CONTRIBUTIONS TO FARRM ACCOUNTS.—For purposes of this section, in the case of a FARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''

(3) The section heading for section 4973 of such Code is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''

(4) The table of sections for chapter 43 of such Code is amended by striking the item relating to section 4973 and inserting the following new item:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''

(d) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 of such Code (relating to prohibited transactions) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR FARRM ACCOUNTS.—A person for whose benefit a FARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such Account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FARRM Account by reason of the application of section 468C(f)(3)(A) to such Account.''

(2) Paragraph (1) of section 4975(e) of such Code is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) a FARRM Account described in section 468C(d),''.

(e) FAILURE TO PROVIDE REPORTS ON FARRM ACCOUNTS.—Paragraph (2) of section 6693(a) of such Code (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) section 468C(g) (relating to FARRM Accounts).''

(f) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 of such Code is amended by inserting after the item relating to section 468B the following new item:

''Sec. 468C. Farm and Ranch Risk Management Accounts.''

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 202. PERMANENT EXTENSION OF INCOME AVERAGING FOR FARMERS.

Section 933(c) of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

Mr. BURNS. Mr. President, I rise today along with Senators LOTT, CRAIG, GRASSLEY, HAGEL, ROBERTS, SESSIONS, SHELBY, and THOMAS to introduce the Family Investment and Rural Savings Tax (FIRST) Act of 1998.

Mr. President, today's family farms are in jeopardy. This bill will help all Americans as well as our nation's farming families.

The bill consists of two titles—the first will reduce the top individual capital gains tax rate from 20% to 15% and reduces the capital gains tax rate for individuals with lower incomes from 10% to 7.5%.

Title two of the bill consists of two separate measures which work hand in hand: First, the bill will allow farmers to open their own tax deferred savings accounts. These accounts would provide farmers and ranchers an opportunity to set aside income in high-income years and withdraw the money in low-income years. The money is taxed only when it is withdrawn and can be deferred for up to five years.

In 1995, 2.2 million taxpayers, qualified as farmers under IRS definitions, would have been eligible to use these accounts. Only 725,000 of those filed a net income while 1.5 million filed a net loss.

Now that could mean one of two things: (1) fewer and fewer farmers are able to stay in the black or; (2) more and more farmers are going out of business. We cannot continue to treat our farmers and ranchers as second class citizens in our tax code.

The second part of this title contains language that I introduced earlier this year. This language would allow farmers to use average their income over three years and make that tool permanent in the tax code. This bill will give American farmers a fair tool to offset the unpredictable nature of their business.

The question is who will benefit most from income averaging and farm savings accounts. This is the best part—this legislation will allow farmers to delay payment of their taxes by reducing their overall income and spreading it out over a number of years.

However, based on the tax rate schedule, this bill would favor farmers in the lower tax bracket. If a farmer could use these tools to reduce their tax burden from one year to the next, it is very conceivable that taxpayer would pay only 15% on his income compared to 28%. That is a significant savings.

This bill leaves the business decisions in the hands of farmers, not the government. Farmers can decide whether to defer income and when to withdraw funds to supplement operations.

Farmers and ranchers labor seven days a week, from dawn until dusk, to provide our nation with the world's best produce, dairy products and meats. Farming is a difficult business requiring calloused hands and rarely a profitable financial reward. This profession is not getting any easier. Today, we are seeing more and more of our family farms swallowed up by the corporate farms.

Farming has always been a family affair. Rural communities rely on the family farm for their own economic sustenance. Although family farms are traditionally passed on from father to son—it is becoming more and more difficult as the economics of farming are becoming more and more complicated. Further tightening of the belt on these folks can only mean the eventual loss of the family farm.

Montana's farmers take pride in their harvests. You could call today's farmer the ultimate environmentalist.

They know how to take care of the land and ensure that future harvests will be plentiful. As land managers, farmers understand the importance of proper land stewardship.

Those colleagues of mine who grew up on a farm or ranch would certainly understand the frustration of this business. Farmers and ranchers don't receive an annual salary. They cannot rely on income that may not be there at the end of the year and they certainly cannot count on a monthly paycheck. This is a crucial time for family farms and tax relief can mean the difference between keeping the family farm for future generations or losing it.

With the recent passage of the Farm Bill, farmers are more than ever impacted by market forces and in the farming business, those market forces can be very unpredictable.

Market forces in farming are very unique—drought, flooding, infestation and disease all play a vital role in a farmer's bottom line. And it's not often when the elements of mother nature allow for a profitable harvest.

At best, most farmers are lucky to break even more than two years in a row. One year may be a windfall, while the next may mean bankruptcy. Farmers and ranchers are forced to make large capital investments in machinery, livestock and improvements to their properties.

Agricultural markets are rarely predictable. Farmers, more than any other sector of our economy are likely to experience substantial fluctuations in income.

We also need to address the issue of the estate tax. This is a death blow to a family farm that has been passed down through the generations. A family farm in Montana is not really referred to as an estate. We call it home, we call it work, and we call it our lives, but we don't call it an estate.

I urge my colleagues to support this bill and urge you also to support future bills such as estate tax relief legislation to encourage America's farming family of a safe and secure future.

I have letters in support of this bill signed by numerous agriculture groups as well as a letter from the National Federation of Independent Businesses (NFIB). I ask unanimous consent to have both of these letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

July 23, 1998.

Hon. CONRAD BURNS,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR BURNS: Farming and ranching is a high risk endeavor. Problems due to this year's adverse weather and low prices provide a vivid illustration of the difficulties that can be caused by nature and markets.

The tax code can and should help producers deal with financial uncertainties unique to agriculture. Agricultural organizations have recommended estate tax relief, permanent income averaging for farmers, the full deductibility of health insurance premiums for the self-employed and the creation of farm and ranch risk management accounts (FARRM).

We applaud you for introducing legislation that encompasses the creation of FARRM accounts and makes income averaging a permanent part of the tax code. FARRM accounts will help producers by providing incentives to save during good times for times that are not. Income averaging will help producers by allowing them to manage their volatile incomes for financial planning.

A reduction in capital gains tax rates is also part of your legislation. Because farming and ranching is a capital intensive business, capital gains taxes have a huge impact on agriculture. Lower capital gains tax rates will help producers by making it easier for them to invest in their businesses and make the best use of their capital assets.

We support your legislation and pledge our help to secure its passage into law.

Agricultural Retailers Association.
Alabama Farmers Federation .
American Farm Bureau Federation.
American Horse Council.
American Nursery and Landscape Association.
American Sheep Industry Association.
American Soybean Association.
American Sugarbeet Growers Association.
Communicating for Agriculture.
Farm Credit Council.
The Fertilizer Institute.
National Association of State Departments of Agriculture.
National Association of Wheat Growers.
National Barley Growers Association.
National Cattlemen's Beef Association.
National Corn Growers Association.
National Cotton Council of America.
National Council of Farmer Cooperatives.
National Grain Sorghum Producers Association.
National Grange.
National Pork Producers Council.
National Sunflower Association.
North Carolina Peanut Growers Association.
United Fresh Fruit and Vegetable Association.
USA Rice Federation.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS—THE VOICE OF SMALL BUSINESS,

July 29, 1998.

Hon. CONRAD BURNS,
U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: I am writing to commend you for introducing legislation, ''The Family Investment and Rural Savings Tax (FIRST) Act of 1998, that will provide needed tax relief to small businesses and farms.

Among other provisions, this legislation would reduce and simplify the current capital gains tax for the many small business owners who file as individuals. Small businesses face unique difficulties trying to obtain capital, including lack of access to the securities market and difficulty in getting bank loans. They often must get their capital from the business itself, family members or associates. Small businesses, therefore, need capital gains relief that will promote investment by both investors and business owners themselves.

The FIRST Act also contains needed relief to help farmers and ranchers by allowing eligible ones to make contributions to tax deferred accounts and by restoring income averaging. We very much support extending income averaging to small businesses, as well, and hope that Congress will consider this soon.

We applaud your efforts to reduce the tax burden on small businesses, farmers and ranchers, and look forward to working with you in the future.

Sincerely,

DAN DANNER,
Vice President,
Federal Governmental Relations.

By Mr. BOND (for himself, Ms. SNOWE, and Mr. BENNETT):

S. 2372. A bill to provide for a pilot loan guarantee program to address Year 2000 problems of small business concerns, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS YEAR 2000 READINESS ACT

Mr. BOND. Mr. President, I rise today to introduce the Small Business Year 2000 Readiness Act along with my colleagues Senators BENNETT and SNOWE. This bill provides small businesses with the resources necessary to repair Year 2000 computer problems. This legislation is an important step toward avoiding the widespread failure of small businesses.

The problem, as many Senators are aware, is that certain computers and processors in automated systems will fail because such systems will not recognize the Year 2000. My colleague Senator BENNETT, who is the Chairman of the Senate Special Year 2000 Technology Problem Committee and is cosponsoring this bill, is very well versed in this problem and has been active in getting the word out to industries and to agencies of the federal government of the drastic consequences that may result from the Y2K problem.

Recently, the Committee on Small Business, which I chair, held hearings on the effect the Y2K problem will have on small businesses. The outlook is not good. The Committee received testimony that the companies most at risk from Y2K failures are small and medium-sized industries, not larger companies. The major reasons for this anomaly is that many small companies have not begun to realize how much of a problem Y2K failures will be and may not have the access to capital to cure such problems before they cause disastrous effects.

A study on Small Business and the Y2K Problem sponsored by Wells Fargo Bank and the NFIB found that an estimated four and three-quarter million small employers are exposed to the Y2K problem. This equals approximately 82 percent of all small businesses that have at least two employees. Such exposure to the Y2K problem will have devastating affects on our economy generally. As the result of communications with small businesses, computer manufacturers, consultants and groups, the Small Business Committee has found there is significant likelihood that the Y2K issue will cause many small businesses to close, playing a large role in Federal Reserve Chairman Greenspan's prediction of a 40 percent chance for recession at the beginning of the new millennium.

The Committee received information indicating that approximately 330,000 small businesses will shut down due to the Y2K problem and an even larger

number will be severely crippled. Such failures will affect not only the employees and owners of such small businesses, but also the creditors, suppliers and customers of such failed small businesses. Lenders, including banks and non-bank lenders, that have extended credit to small businesses will face significant losses if small businesses either go out of business or have a sustained period in which they cannot operate.

It must be remembered that the Y2K problem is not a problem for only those businesses that have large computer networks or mainframes. A small business is at risk if it uses any computers in its business, if it has customized software, if it is conducting e-commerce, if it accepts credit card payments, if it uses a service bureau for its payroll, if it depends on a data bank for information, if it has automated equipment for communicating with its sales or service force of if it has automated manufacturing equipment.

A good example of how small businesses are dramatically affected by the Y2K problem is the experience of John Healy, the owner of Coventry Spares Ltd. in Holliston, Massachusetts, as reported in INC Magazine. Coventry Spares is a distributor of vintage motorcycle parts. Like many small business owners, Mr. Healy's business depends on trailing technology purchased over the years, including a 286 computer, with software that is 14 years old and an operating system that is six or seven versions out of date. Mr. Healy uses this computer equipment, among other matters, for handling the company's payroll, ordering, inventory control, product lookup and maintaining a database of customers and subscribers to a vintage motorcycle magazine he publishes. The system handles 85 percent of his business and, without it working properly, Mr. Healy stated that ''I'd be a dead duck in the water.'' Unlike many small business owners, however, Mr. Healy is aware of the Y2K problem and tested his equipment to see if his equipment could handle the Year 2000. His tests confirmed his fear—the equipment and software could not process the year 2000 date and would not work properly after December 21, 1999. Therefore, Mr. Healy will have to expand over $20,000 to keep his business afloat. The experience of Mr. Healy has been and will continue to be repeated across the country as small businesses realize the impact the Y2K problem will have on their business.

The Gartner Group, an international computer consulting firm, has conducted studies showing small businesses are way behind—the worst of all sectors studied—where they need to be in order to avoid significant failures due to non-Y2K compliance. It estimates that only 15 percent of all businesses with under 200 employees have even begun to inventory the automated systems that may be affected by this computer glitch. That means that 85 percent of small businesses have not be even begun the initial task of determining how much of a problem they may have or taken steps to ensure that their businesses are not impaired by this problem.

Given the effects a substantial number of small business failures will have on our nation's economy, it is imperative that Congress take steps to ensure that small businesses are aware of the Y2K problem and have access to capital to fix such problems. Moreover, it is imperative that Congress take such steps before the problem occurs, not after it has already happened. Therefore, today I am introducing the Small Business Year 2000 Readiness Act.

This Act will serve the dual purpose of providing small businesses with the means to continue operating successfully after January 1, 2000, and making lenders and small firms more aware of the dangers that lie ahead. The Act requires the Small Business Administration to establish a limited-term loan program whereby SBA would guarantee 50 percent of the principal amount of a loan made by a private lender to assist small businesses in correcting Year 2000 computer problems. The loan amount would be capped at $50,000. The guarantee limit and loan amount will limit the exposure of the government and ensure that eligible lenders retain sufficient risk so that they make sound underwriting decisions.

The Y2K loan program guidelines will be based on the guidelines SBA has already established governing its FA$TRACK pilot program. Lenders originating loans under the Y2K loan program would be permitted to process and document loans using the same internal procedures they would on loans of a similar type and size not governed by a government guarantee. Otherwise, the loans are subject to the same requirements as all other loans made under the (7)(a) loan program.

Under the loan program, each lender designated as a Preferred Lender or Certified Lender by SBA would be eligible to participate in the Y2K loan program. This would include approximately 1,000 lenders that have received special authority from the SBA to originate loans under SBA's existing 7(a) loan program. The Year 2000 loan program would sunset after October 31, 2001.

To assure that the loan program is made available to those small businesses that need it, the legislation requires SBA to inform all lenders eligible to participate in the program of the loan program's availability. It is intended that these lenders, in their own self-interest, will contact their small business customers to ensure that they are Y2K complaint and inform them of the loan program if they are not.

The Small Business Year 2000 Readiness Act is a necessary step to ensure that the economic health of this country is not marred by a substantial number of small business failures following January 1, 2000, and that small businesses continue to be the fastest growing segment of our economy in the Year 2000 and beyond.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2372

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 ''Small Business Year 2000 Readiness Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the failure of many computer programs to recognize the Year 2000 will have extreme negative financial consequences in the Year 2000 and in subsequent years for both large and small businesses;

(2) small businesses are well behind larger businesses in implementing corrective changes to their automated systems—85 percent of businesses with 200 employees or less have not commenced inventorying the changes they must make to their automated systems to avoid Year 2000 problems;

(3) many small businesses do not have access to capital to fix mission critical automated systems; and

(4) the failure of a large number of small businesses will have a highly detrimental effect on the economy in the Year 2000 and in subsequent years.

SEC. 3. YEAR 2000 COMPUTER PROBLEM LOAN GUARANTEE PROGRAM.

(a) PROGRAM ESTABLISHED.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(27) YEAR 2000 COMPUTER PROBLEM PILOT PROGRAM.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'eligible lender' means any lender designated by the Administration as eligible to participate in—

''(I) the Preferred Lenders Program authorized by the proviso in section 5(b)(7); or

''(II) the Certified Lenders Program authorized in paragraph (19); and

''(ii) the term 'Year 2000 computer problem' means, with respect to information technology, any problem that prevents the information technology from accurately processing, calculating, comparing, or sequencing date or time data—

''(I) from, into, or between—

''(aa) the 20th or 21st centuries; or

''(bb) the years 1999 and 2000; or

''(II) with regard to leap year calculations.

''(B) ESTABLISHMENT OF PROGRAM.—The Administration shall—

''(i) establish a pilot loan guarantee program, under which the Administration shall guarantee loans made by eligible lenders to small business concerns in accordance with this subsection; and

''(ii) notify each eligible lender of the establishment of the program under this paragraph.

''(C) USE OF FUNDS.—A small business concern that receives a loan guaranteed under this paragraph shall use the proceeds of the loan solely to address the Year 2000 computer problems of that small business concern, including the repair or acquisition of information technology systems and other automated systems.

''(D) MAXIMUM AMOUNT.—The total amount of a loan made to a small business concern and guaranteed under this paragraph shall not exceed $50,000.

''(E) GUARANTEE LIMIT.—The guarantee percentage of a loan guaranteed under this paragraph shall not exceed 50 percent of the

balance of the financing outstanding at the time of disbursement of the loan.

''(F) REPORT.—The Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on the results of the program under this paragraph, which shall include information relating to—

''(i) the number and amount of loans guaranteed under this paragraph;

''(ii) whether the loans guaranteed were made to repair or replace information technology and other automated systems; and

''(iii) the number of eligible lenders participating in the program.''.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue final regulations to carry out the program under section 7(a)(27) of the Small Business Act, as added by this section.

(2) REQUIREMENTS.—Except to the extent inconsistent this section or section 7(a)(27) of the Small Business Act, as added by this section, the regulations issued under this subsection shall be substantially similar to the requirements governing the FA$TRACK pilot program of the Small Business Administration, or any successor pilot program to that pilot program.

(c) REPEAL.—Effective on October 1, 2001, this section and the amendment made by this section are repealed.

SEC. 4. PILOT PROGRAM REQUIREMENTS.

Section 7(a)(25) of the Small Business Act (15 U.S.C. 636(a)(25)) is amended by adding at the end the following:

''(D) NOTIFICATION OF CHANGE.—Not later than 30 days prior to initiating any pilot program or making any change in a pilot program under this subsection that may affect the subsidy rate estimates for the loan program under this subsection, the Administration shall notify the Committees on Small Business of the House of Representatives and the Senate, which notification shall include—

''(i) a description of the proposed change; and

''(ii) an explanation, which shall be developed by the Administration in consultation with the Director of the Office of Management and Budget, of the estimated effect that the change will have on the subsidy rate.

''(E) REPORT ON PILOT PROGRAMS.—The Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on each pilot program under this subsection, which report shall include information relating to—

''(i) the number and amount of loans made under the pilot program;

''(ii) the number of lenders participating in the pilot program; and

''(iii) the default rate, delinquency rate, and recovery rate for loans under each pilot program, as compared to those rates for other loan programs under this subsection.''.

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 2373. A bill to amend title 28, United States Code, with respect to the use of alternative dispute resolution processes in United States district courts, and for other purposes; to the Committee on the Judiciary.

ALTERNATIVE DISPUTE RESOLUTION ACT

Mr. GRASSLEY. Mr. President, I rise today to introduce the Alternative Dispute Resolution Act of 1998. My Judiciary Subcommittee on Administrative Oversight and the Courts has jurisdiction over this matter, and I am very pleased that the ranking member of the subcommittee, Senator DURBIN, has joined me in sponsoring this bill. It will require every Federal district court in the country to institute an alternative dispute resolution, or ADR, program. The bill will provide parties and district court judges with options other than the traditional, costly and adversarial process of litigation.

ADR programs have been gaining in popularity and respect for years now. For example, many contracts drafted today—between private parties, corporations, and even nations—include arbitration clauses. Most State and Federal bar associations, including the ABA, have established committees to focus on ADR. Also, comprehensive ADR programs are flourishing in many of the States.

ADR is also being used at the Federal level. In 1990, for example, President Bush signed into law a bill that I introduced called the Administrative Dispute Resolutions Act. The law promoted the increased use of ADR in Federal agency proceedings. In 1996, because ADR was working so well, we permanently re-authorized the law. And earlier this year, the executive branch recommitted themselves to using ADR as much as possible.

Since the late 1970s, our Federal district courts have also been successfully introducing ADR. In 1998, we authorized 20 district courts to begin implementing ADR programs. The results were very encouraging, so last year we made these programs permanent. It's time to take another step and make ADR available in all district courts.

Mr. President, ADR allows innovations and flexibility in the administration of justice. The complex legal problems that people have demand creative and flexible solutions on the part of the courts. There are numerous benefits to providing people with alternatives to traditional litigation. For example, a recent Northwestern University study of ADR programs in State courts indicated that mediation significantly reduced the duration of lawsuits and produced significant cost savings for litigants. That means fewer cases on the docket and decreased costs. The Federal courts should be taking every opportunity to reap the benefits that the state courts have been enjoying.

Mr. President, the fact of the matter is that ADR works. The future of justice in this country includes ADR. Perhaps one of the signs of this is that many of the best law, business, and graduate schools in the country are beginning to emphasize training in negotiation, mediation, and other kinds of dispute resolution.

Quite simply, this bill will increase the availability of ADR in our Federal courts. It mandates that every district court establish some form of professional ADR program. It provides the district, however, with the flexibility to decide what kind of ADR works best locally. The bill also allows a district with a current ADR program that's working well to continue the program.

This bill is the Senate companion to H.R. 3528, which was reported out of the Judiciary Committee today without any opposition. Our bill tracks the original House bill, except for some findings and a few technical changes to improve the legislation. These changes were included in the bill reported out of committee. The House bill received overwhelming, bipartisan support, passing 405–2.

The Department of Justice, along with the administration, the Administrative Office of the Courts, and the American Bar Association, including its business section, all support the legislation with these improvements. The consensus is clear: ADR has an important role to play in our Federal court system.

Mr. President, this bill is a step in the right direction for the administration of justice in our country. Increased availability of ADR will benefit all of us. It should be an option to people in every judicial district of the country. This bill assures that it will be.

By Mr. SARBANES:

S. 2374. A bill to provide additional funding for repair of the Korean War Veterans Memorial; to the Committee on Energy and Natural Resources.

KOREAN WAR VETERANS MEMORIAL LEGISLATION

● Mr. SARBANES. Mr. President, today I am introducing legislation to fix and restore one of our most important monuments, the Korean War Veterans Memorial. My bill would authorize the Secretary of the Army to provide, within existing funds, up to $2 million to complete essential repairs to the Memorial.

The Korean War Memorial is the newest war monument in Washington, DC. It was authorized in 1986 by Public Law 99–752 which established a Presidential Advisory Board to raise funds and oversee the design of the project, and charged the American Battle Monuments Commission with the management of this project. The authorization provided $1 million in federal funds for the design and initial construction of the memorial and Korean War Veterans' organizations and the Advisory Board raised over $13 million in private donations to complete the facility. Construction on the memorial began in 1992 and it was dedicated on July 27, 1995.

For those who haven't visited, the Memorial is located south of the Vietnam Veteran's Memorial on the Mall, to the east of the Lincoln Memorial. Designed by world class Cooper Lecky Architects, the monument contains a triangular ''field of service,'' with 19 stainless steel, larger than life statues, depicting a squad of soldiers on patrol. A curb of granite north of the statues lists the 22 countries of the United Nations that sent troops in defense of

South Korea. To the south of the patrol stands a wall of black granite, with engraved images of more than 2,400 unamed servicemen and women detailing the countless ways in which Americans answered the call to service. Adjacent to the wall is a fountain which is supposed to be encircled by a Memorial Grove of linden trees, creating a peaceful setting for quiet reflection. When this memorial was originally created, it was intended to be a lasting and fitting tribute to the bravery and sacrifice of our troops who fought in the ''Forgotten War.'' Unfortunately, just three years after its dedication, the monument is not lasting and is no longer fitting.

The Memorial has not functioned as it was originally conceived and designed and has instead been plagued by a series of problems in its construction. The grove of 40 linden trees have all died and been removed from the ground, leaving forty gaping holes. The pipes feeding the ''pool of remembrance's'' return system have cracked and the pool has been cordoned off. The monument's lighting system has been deemed inadequate and has caused safety problems for those who wish to visit the site at night. As a result, most of the 1.3 million who visit the monument each year—many of whom are veterans—must cope with construction gates or areas which have been cordoned off instead of experiencing the full effect of the Memorial.

Let me read a quote from the Washington Post—from a Korean War Veteran, John LeGault who visited the site—that I think captures the frustration associated with not having a fitting and complete tribute for the Korean War. He says, ''Who cares?'' ''That was the forgotten war and this is the forgotten memorial.'' Mr. President, we ought not to be sunshine patriots when it comes to making decisions which affect our veterans. Too often, we are very high on the contributions that our military makes in times of crisis, but when a crisis fades from the scene, we seem to forget about this sacrifice. Our veterans deserve better.

To resolve these problems and restore this monument to something that our Korean War Veterans can be proud of, the U.S. Army Corps of Engineers conducted an extensive study of the site in an effort to identify, comprehensively, what corrective actions would be required. The Corps has determined that an additional $2 million would be required to complete the restoration of the grove work and replace the statuary lighting. My legislation would provide the authority for the funds to make these repairs swiftly and once and for all.

With the 50th anniversary of the Korean War conflict fast approaching, we must ensure that these repairs are made as soon as possible. This additional funding would ensure that we have a fitting, proper, and lasting tribute to those who served in Korea and that we will never forget those who served in the ''Forgotten War.'' I urge my colleagues to join me in supporting this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2374

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

SECTION 1. ADDITIONAL FUNDING FOR KOREAN WAR VETERANS MEMORIAL.

Section 3 of Public Law 99–572 (40 U.S.C. 1003 note) is amended by adding at the end the following:

''(c) ADDITIONAL FUNDING.—

''(1) IN GENERAL.—In addition to amounts made available under subsections (a) and (b), the Secretary of the Army may expend, from any funds available to the Secretary on the date of enactment of this paragraph, $2,000,000 for repair of the memorial.

''(2) DISPOSITION OF FUNDS RECEIVED FROM CLAIMS.—Any funds received by the Secretary of the Army as a result of any claim against a contractor in connection with construction of the memorial shall be deposited in the general fund of the Treasury.''.●

By Mr. JEFFORDS:

S. 2376. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for land sales for conservation purposes; to the Committee on Finance.

THE CONSERVATION TAX INCENTIVES ACT OF 1998

● Mr. JEFFORDS. Mr. President, today, I am introducing the Conservation Tax Incentives Act of 1998, a bill that will result in a reduction in the capital gains tax for landowners who sell property for conservation purposes. This bill creates a new incentive for private, voluntary land protection. This legislation is a cost-effective non-regulatory, market-based approach to conservation, and I urge my colleagues to join me in support of it.

The tax code's charitable contribution deduction currently provides an incentive to taxpayers who give land away for conservation purposes. That is, we already have a tax incentive to encourage people to donate land or conservation easements to government agencies like the Fish and Wildlife Service or to citizens' groups like the Vermont Land Trust. This incentive has been instrumental in the conservation of environmentally significant land across the country.

Not all land worth preserving, however, is owned by people who can afford to give it away. For many landowners, their land is their primary financial asset, and they cannot afford to donate it for conservation purposes. While they might like to see their land preserved in its underdeveloped state, the tax code's incentive for donations is of no help.

The Conservation Tax Incentives Act will provide a new tax incentive for sales of land for conservation by reducing the amount of income that landowners would ordinarily have to report—and pay tax on—when they sell their land. The bill provides that when land is sold for conservation purposes, only one half of any gain will be included in income. The other half can be excluded from income, and the effect of this exclusion is to cut in half the capital gains tax the seller would otherwise have to pay. The bill will apply to land and to partial interests in land and water.

It will enable landowners to permanently protect a property's environmental value without forgoing the financial security it provides. The bill's benefits are available to landowners who sell land either to a government agency or to a qualified conservation nonprofit organization, as long as the land will be used for such conservation purposes as protection of fish, wildlife or plant habitat, or as open space for agriculture, forestry, outdoor recreation or scenic beauty.

Land is being lost to development and commercial use at an alarming rate. By Department of Agriculture estimates, more than four square miles of farmland are lost to development every day, often with devastating effects on the habitat wildlife need to thrive. Without additional incentives for conservation, we will continue to lose ecologically valuable land.

A real-life example from my home state illustrates the need for this bill. A few years ago, in an area of Vermont known as the Northeast Kingdom, a large well-managed forested property came on the market. The land had appreciated greatly over the years and was very valuable commercially. With more than 3,000 acres of mountains, forests, and ponds, with hiking trails, towering cliffs, scenic views and habitat for many wildlife species, the property was very valuable environmentally. Indeed, the State of Vermont was anxious to acquire it and preserve it for traditional agricultural uses and habitat conservation.

After the property had been on the market for a few weeks, the seller was contacted by an out-of-state buyer who planned to sell the timber on the land and to dispose of the rest of the property for development. After learning of this, the State quickly moved to obtain appraisals and a legislative appropriation in preparation for a possible purchase of the land by the State. Subsequently, the State and The Nature Conservancy made a series of purchase offers to the landowner. The out-of-state buyer however, prevailed upon the landowner to accept his offer. Local newspaper headlines read, ''State of Vermont Loses Out On Northeast Kingdom Land Deal.'' The price accepted by the landowner was only slightly higher than the amount the State had offered. Had the bill I'm introducing today been on the books, the lower offer by the State may well have been as attractive—perhaps more so—than the amount offered by the developer.

This bill provides an incentive-based means for accomplishing conservation in the public interest. It helps tax dollars accomplish more, allowing public

and charitable conservation funds to go to higher-priority conservation projects. Preliminary estimates indicate that with the benefits of this bill, nine percent more land could be acquired, with no increase in the amount governments currently spend for conservation land acquisition. At a time when little money is available for conservation, it is important that we stretch as far as possible the dollars that are available.

State and local governments will be important beneficiaries of this bill. Many local communities have voted in favor of raising taxes to finance bond initiatives to acquire land for conservation. My bill will help stretch these bond proceeds so that they can go further in improving the conservation results for local communities. In addition, because the bill applies to sales to publicly-supported national, regional, State and local citizen conservation groups, its provisions will strengthen private, voluntary work to save places important to the quality of life in communities across the country. Private fundraising efforts for land conservation will be enhanced by this bill, as funds will be able to conserve more, or more valuable, land.

Let me provide an example to show how I intend the bill to work. Let's suppose that in 1952 a young couple purchased a house and a tract of adjoining land, which they have maintained as open land. Recently, the county where they lived passed a bond initiative to buy land for open space, as county residents wanted to protect the quality of their life from rampant development and uncontrolled sprawl. Let's further assume that the couple, now contemplating retirement, is considering competing offers for their land, one from a developer, the other from the county, which will preserve the land in furtherance of its open-space goals. Originally purchased for $25,000, the land is now worth $250,000 on the open market. If they sell the land to the developer for its fair market value, the couple would realize a gain of $225,000 ($250,000 sales price minus $25,000 costs), owe tax of $45,000 (at a rate of 20% on the $225,000 gain), and thus net $205,000 after tax.

Under my bill, if the couple sold the land for conservation purposes, they could exclude from income one half of any gain they realized upon the sale. This means they would pay a lower capital gains tax; consequently, they would be in a position to accept a lower offer from a local government or a conservation organization, yet still end up with more money in their pockets than they would have had if they had accepted the developer's offer. Continuing with the example from the preceding paragraph, let's assume the couple sold the property to the county, for the purpose of conservation, at a price of $240,000. They would realize a gain of $215,000 ($240,000 sales price minus $25,000 cost). Under my bill, only half of this gain $107,500, would be includible in income. The couple would pay $21,500 in capital gains tax (at a rate of 20% on the $107,500 gain includible in income) and thus net $218,500 ($240,000 sales price minus $21,500 tax). Despite having accepted a sales price $10,000 below the developer's offer, the couple will keep $13,000 more than they would have kept if they had accepted his offer.

The end result is a win both for the landowners, who end up with more money in their pocket than they would have had after a sale to an outsider, and for the local community, which is able to preserve the land at a lower price. This example illustrates how the exclusion from income will be especially beneficial to middle-income, ''land rich/cash poor'' landowners who can't avail themselves of the tax benefits available to those who can afford to donate land.

As this bill also applies to partial interests in land, the exclusion from income—and the resulting reduction in capital gains tax—will, in certain instances, also be available to landowners selling partial interests in their land for conservation purposes. A farmer could, for example, sell a conservation easement, continuing to remain on and farm his land, yet still be able to take advantage of the provisions in this bill. The conservation easement must meet the tax code's requirements i.e., it must serve a conservation purpose, such as the protection of fish or wildlife habitat or the preservation of open space (including farmland and forest land).

There are some things this bill does not do. It does not impose new regulations or controls on people who own environmentally-sensitive land. It does not compel anyone to do anything; it is entirely voluntary. Nor will it increase government spending for land conservation. In fact, the effect of this bill will be to allow better investment of tax and charitable dollars used for land conservation.

The estimated cost of this bill is just $50 million annually. This modest cost, however, does not take into account the value of the land conserved. It is estimated that for every dollar foregone by the Federal treasury, $1.76 in land will be permanently preserved.

I urge all my colleagues to join me in support of the Conservation Tax Incentives Act of 1998.●

By Mr. MOYNIHAN (for himself, Mr. LEVIN, Mr. JEFFORDS, Mr. LEAHY, Mr. CLELAND, Mr. DURBIN, Mr. D'AMATO, and Mrs. BOXER):

S. 2377. A bill to amend the Clean Air Act to limit the concentration of sulfur in gasoline used in motor vehicles; to the committee on Environment and Public Works.

CLEAN GASOLINE ACT OF 1998

● Mr. MOYNIHAN. Mr. President, I am proud to introduce today the Clean Gasoline Act of 1998, a bill to establish a nationwide, year-round cap on the sulfur content of gasoline. My bill presents an opportunity to make tremendous progress in improving our national air quality through a simple, cost-effective measure. Today, 70 million people—30 percent of the nation's population—live in counties which exceed heatlh-based ozone standards. For just a few pennies a gallon, we can make our urban environment appreciably better.

Sulfur in gasoline contaminates catalytic converters so that they remove less of the nitrogen oxide (NO_x), carbon monoxide (CO), and hydrocarbons (HC) contained in tailpipe emissions. These pollutants elevate the levels of particulate matter (PM) and contribute to ground-level ozone. By reducing the amount of sulfur allowed in gasoline sold nationwide, my bill will substantially improve air quality, especially in America's largest cities.

The current average sulfur content in U.S. gasoline is approximately 330 parts per million (ppm), and ranges as high as 1,000 ppm. the Clean Gasoline Act will impose a year-round cap of 40 ppm on the sulfur content of all gasoline sold in the United States. Under my bill, refineries will also have the option of meeting an 80 ppm cap, provided that they maintain an overall average sulfur content of no more than 30 ppm.

Imposing limits on the sulfur content of gasoline will achieve tremendous—and virtually immediate—air quality benefits. The emissions reductions achieved by lowering gasoline sulfur levels to 40 ppm would be equivalent to removing 3 million vehicles from the streets of New York, and nearly 54 million vehicles from our roads nationwide.

California imposed a similar cap on gasoline sulfur beginning in 1996, resulting in significant air quality gains. Japan has already established a 50 ppm gasoline standard, and the European Union currently has a gasoline sulfur standard of 150 ppm—which will drop to 50 ppm beginning in the year 2005.

The gasoline sulfur cap established by my bill will apply year-round. A seasonal cap is insufficient because the damage done to catalytic converters by sulfur poisoning is not fully reversible by typical driving—meaning that vehicle emission controls would be repoisoned every year when high-sulfur gasoline returned to the market. In the absence of national standards, travel over state boundaries could disable emissions controls.

The current high-sulfur content of U.S. gasoline will also preclude the introduction of the next generation of fuel efficiency technologies—most notably fuel cells and direct-injection gasoline engines. U.S. citizen will not have access to these advanced technologies—unless we adopt low sulfur gasoline standards.

Mr. President, I believe our task is clear. A national low sulfur gasoline standard will result in considerable health and environmental benefits. It will maximize the effectiveness of currently available vehicle emissions

technology, and will enable the introduction of the next generation of vehicle technology into the U.S. market. Refineries can reduce the sulfur content of gasoline using existing technology that is already being used to supply markets in California, Japan, and the European Union. Our national fleet is already comprised of world-class vehicles. It is time for us to provide this fleet with world-class fuel. I urge my colleagues to join my cosponsors and me in supporting this important legislation.●

● Mr. JEFFORDS. Mr. President, I join Senator MOYNIHAN in offering legislation that would reduce the sulfur content of gasoline. Current levels of sulfur in gasoline lead to high nitrogen oxide, carbon monoxide, and hydrocarbon emissions by weakening catalytic converter emission controls. These emissions elevate ground-level ozone and particulate matter pollution.

As we all have learned, long-term exposure to ozone pollution can have significant health impacts, including asthma attacks, breathing and respiratory problems, loss of lung function, and lowered immunity to disease. The EPA has compared breathing ozone to getting a sunburn in your lungs. Children, including Vermont's approximately 10,000 asthmatic children, are at special risk for adverse health effects from ozone pollution. Children playing outside in the summer time, the season when concentrations of ground-level ozone are the greatest, may suffer from coughing, decreased lung function, and have trouble catching their breath. Exposure to particulate matter pollution is similarly dangerous causing premature death, increased respiratory symptoms and disease, decreased lung function, and alterations in lung tissue. These pollutants also result in adverse environmental effects such as acid rain and visibility impairment.

Mr. President, this bill will reduce these pollutants in our communities, and more importantly it will reduce these pollutants cost-effectively. To reduce the sulfur content of gasoline, refineries can use currently available technology. These measures will not break the bank. California has already adopted the measures in this bill on a statewide basis. So have Japan and the members of the European Union.

Mr. President, I urge my colleagues to support this bill. Let's clean up our air so we can all breathe just a little bit easier.●

● Mr. CLELAND. Mr. President, I am pleased today to announce that I have added my name as an original co-sponsors of the Low Sulfur Fuel Act of 1998 and to express my reasons for supporting this important legislation. I would first like to thank my colleague from New York, Senator MOYNIHAN, for his authorship of this measure and his leadership on this issue. The bill establishes a national, year-round cap on gasoline sulfur levels, and would impose a reduction of sulfur content in gasoline from 300 parts per million (ppm) to 40 ppm within two years from the date of enactment.

High sulfur levels in gasoline increase vehicle emissions of nitrogen oxides (NO_x), carbon monoxide (CO), and hydrocarbons (HC) which in turn produce higher levels of particulate matter (PM) and contribute to ground level ozone. Reducing sulfur content levels to 40 ppm has been shown to reduce Nitrogen Oxides by 51 percent, Carbon Monoxide by 40 percent, and Hydrocarbons by 24 percent. Essentially, the sulfur in gasoline inhibits the catalyst in an automobile from doing its job—which is to reduce the emissions of the aforementioned pollutants. Sulfur is a contaminant only and does not in any way enhance engine performance.

There are two compelling reasons which led me to support this bill: First, helping our states attain the health requirements set forth by the Clean Air Act by providing them with a viable tool for reducing NO_x and CO emissions; and second, updating our gasoline to keep pace with other industrialized nations thereby keeping our automotive fleet competitive in the international marketplace.

In my home state of Georgia, the Metro Atlanta area has experienced extensive difficulties in complying with the standards set forth by the Clean Air Act. In a recent attempt to meet these standards, the Georgia Department of Natural Resources (DNR), has voted to implement reduced sulfur content in fuel. The rule would require gasoline in the 25 county area surrounding Atlanta to be reduced to 30 ppm by 2003. Georgia is only the second state, after California, to take such innovative steps to meet air quality goals. In my review of this bill, I sent a copy to Harold Reheis, Director of the Georgia Environmental Protection Division (EPD), an agency of the Georgia DNR for his comments. In his response, which I will ask unanimous consent to add as part of the RECORD after my statement, Mr. Reheis states that the Moynihan bill would ''result in a reduction in air pollutants statewide and nationwide.'' Further, he added that this bill ''could help prevent ozone nonattainment problems in other urban areas of Georgia like Augusta, Columbus, and Macon, which all could have difficulty meeting the tighter federal ozone standards adopted by the USEPA last year.'' I encourage all my colleagues to contact their State Environmental Agencies to request their input on this matter.

Relating to the second point in support of the bill, the U.S. must maintain our innovative and forward thinking approach and support this measure because other countries, such as Japan, Egypt, Thailand, and every member of the European Union have already required similar caps on the sulfur content of their gasoline. Thus, in order for us to compete with these and other countries, we must take this extremely valuable step. California has already taken such action and now we have the opportunity to send a message to the rest of the world, that we, as a nation, are committed to cleaner, more fuel efficient gasoline. Further, we should signify that we are committed to ensuring that our auto industry and the U.S. consumer are equipped with the infrastructure necessary to take advantage of the emerging market for new, innovative, less polluting automobiles.

There is a real possibility that if the U.S. does not take this action, we would fall behind the rest of the industrialized world—a position that the US should never be in—and become the dumping ground for higher sulfur level fuels—making it more difficult to shift to the lower sulfur fuels and inhibiting U.S. automakers from producing and U.S. consumers from purchasing, cleaner and more fuel efficient technologies.

The crux of this issue is that reducing sulfur content in gasoline to 40 ppm, year round, is a viable, cost-effective tool to dramatically reduce pollutants which cause high levels of Particulate Matter as well as Ozone and I urge my colleagues to support this bill.

I ask unanimous consent that the letter from Mr. Reheis be printed in the RECORD.

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

GEORGIA DEPARTMENT
OF NATURAL RESOURCES,
Atlanta, GA, June 22, 1998.

Hon. MAX CLELAND,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR CLELAND: Thank you for sharing with EPD the proposed bill by Senator Moynihan to require the use of low sulfur gasoline all over the United States. The bill is a fine idea, and we have done something similar in Georgia. The Board of Natural Resources, upon my recommendation, recently promulgated rules to require low sulfur gasoline to be sold in 25 counties in and around Metro Atlanta starting May 1999.

The proposed Senate bill would result in a reduction in air pollutants statewide and nationwide. This could help prevent ozone nonattainment problems in other urban areas of Georgia like Augusta, Columbus, and Macon, which all could have difficulty meeting the tighter federal ozone standards adopted by USEPA last year.

I think the bill deserves your support. Please contact me if you need future information.

Sincerely,

HAROLD F. REHEIS,
Director.●

By Mr. AKAKA:

S. 2378. A bill to amend title XVIII of the Social Security Act to increase the amount of payment under the Medicare program for pap smear laboratory tests; to the Committee on Finance.

INVESTMENT IN WOMEN'S HEALTH CARE ACT OF 1998

Mr. AKAKA. Mr. President, today I introduce the Investment in Women's Health Act of 1998, a bill to increase Medicare reimbursement for Pap smear laboratory tests. This is the Senate

companion measure to the bill introduced in the House by my colleague and friend, Representative NEIL ABERCROMBIE.

Last year, I was contacted by pathologists who alerted me to the cost-payment differential for Pap smear testing in Hawaii. According to the American Pathology Foundation, Hawaii is one of 23 states where the cost of performing the test significantly exceeds the Medicare payment. In Hawaii, the cost of performing the test ranges between $13.04 and $15.80. The Medicare reimbursement rate is only $7.15.

This large disparity between the reimbursement rate and the actual cost may force labs in Hawaii and other states to discontinue Pap smear testing. Additionally, the below-cost-reimbursement may compel some labs to process tests faster and in higher volume to improve cost efficiency. This situation increases the risk of inaccurate results and can severely handicap patient outcomes.

If the Pap smear is to continues an effective cancer screening tool, it must remain widely available and reasonably priced for all women. Adequate payment is a necessary component of ensuring women's continued access to quality Pap smears.

My bill will increase the Medicare reimbursement rate for Pap smear lab work from its current $7.15 to $14.60—the national average cost of the test. This rate is important because it establishes a benchmark for many private insurers.

No other cancer screening procedure is as effective for early detection of cancer as the Pap smear. Over the last 50 years, the incidence of cervical cancer deaths has declined by 70 percent due in large part to the use of this cancer detection measure. Experts agree that the detection and treatment of precancerous lesions can actually prevent cervical cancer. Evidence also shows that the likelihood of survival when cervical cancer is detected in its earliest stage is almost 100 percent with timely and appropriate treatment and follow-up.

Mr. President, an estimated 13,700 new cases of invasive cervical cancer will be diagnosed in 1998 and 4,900 women will die of the disease. I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that a list of the average Pap smear production costs for 23 states be printed in the RECORD.

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

Pap Smear Production Costs

California	$18.84
	17.11
	17.00
	13.05
Colorado	16.94
Connecticut	16.87
Delaware	22.00
Florida	14.00
Georgia	10.73
Hawaii	13.04
	14.04
	15.40
	15.80
Illinois	13.12
Iowa	13.78
Kansas	14.62
Kentucky	16.00
	13.01
Maryland	14.05
Michigan	13.16
Nebraska	16.12
New Mexico	20.65
Ohio	18.46
	14.15
	14.50
South Carolina	16.89
	13.00
South Dakota	10.25
Tennessee	12.36
Texas	13.50
Vermont	18.92
Washington	11.64
	12.00
	12.52
	12.90
	12.91
	13.22
	13.42
	14.69
Wisconsin	13.00

Note.—This data was obtained from the American Pathology Foundation.

By Mr. MURKOWSKI (for himself and Mr. DASCHLE):

S. 2379. A bill to establish a program to establish and sustain viable rural and remote communities; to the Committee on Banking, Housing, and Urban Affairs

THE RURAL AND REMOTE COMMUNITY FAIRNESS ACT OF 1998

• Mr. MURKOWSKI. Mr. President, today I introduce the Rural and Remote Community Fairness Act of 1998. This Act will lead to a brighter future for rural and remote communities by establishing two new grant programs that will address the unique economic and environmental challenges faced by small communities in rural and remote areas across this country. I am pleased that this legislation is co-sponsored by the Minority Leader, Senator DASCHLE.

The bill authorizes up to $100 million a year in grant aid from 1999 through 2005 for any commuunities across the nation with populations of less than 10,000 which face electric rates in excess of 150 percent of the national average retail price. The money can go for electricity system improvements, energy efficiency and weatherization efforts, water and sanitation improvements or work to solve leaking fuel storage tanks.

The bill also amends the Rural Electrification Act to authorize Rural and Remote Electrification Grants of an additional $20 million a year to the same communities. The grants can be used to increase energy efficiency, lower electricity rates or provide for the modernization of electric facilities.

This nation has well-established programs for community development grants. The majority of these programs were established to help resolve the very real problems found in this Nation's urban areas. However, our most rural and remote communities experience different, but equally real, problems that are not addressed by existing law. Not only are these communities generally ineligible for the existing programs, their unique challenges, while sometimes similar to those experienced by urban areas, require a different focus and approach.

The biggest single economic problem facing small communities is the expense of establishing a modern infrastructure. These costs, which are always substantial, are exacerbated in remote and rural areas. The existence of this infrastructure, including efficient housing, electricity, bulk fuel storage, waste water and water service, is a necessity for the health and welfare of our children, the development of a prosperous economy and minimizing environmental problems.

There is a real cost in human misery and to the health and welfare of everyone, especially our children and our elderly from poor or polluted water or bad housing or an inefficient power system. Hepatitis B infections in rural Alaska are five times more common than in urban Alaska. We just have to do better if we are to bring our rural communities into the 21st Century.

The experience of many Alaskans is a perfect example. Most small communities or villages in Alaska are not interconnected to an electricity grid, and rely upon diesel generators for their electricity. Often, the fuel can only be delivered by barge or airplane, and is stored in tanks. These tanks are expensive to maintain, and in many cases, must be completely replaced to prevent leakage of fuel into the environment. While economic and environmental savings clearly justify the construction of new facilities, these communities simply don't have the ability to raise enough capital to make the necessary investments.

As a result, these communities are forced to bear an oppressive economic and environmental burden that can be eased with a relatively small investment on the part of the Federal government. I can give you some examples: in Manley Hot Springs, Alaska, the citizens pay almost 70 cents per kilowatt hour for electricity. In Igiugig, Kokhanok, Akiachak Native Community, and Middle Kuskokwim, consumers all pay over 50 cents per kilowatt hour for electricity. The national average is around 7 cents per kilowatt hour.

Further, in Alaska, for example, many rural villages still lack modern water and sewer sanitation systems taken for granted in all other areas of America. According to a Federal Field Working Group, 190 of the state's villages have ''unsafe'' sanitation systems, 135 villages still using ''honey buckets'' for waste disposal. Only 31 villages have a fully safe, piped water system; 71 villages having only one central watering source.

Concerning leaking storage tanks, the Alaska Department of Community

and Regional Affairs estimates that there are more than 2,000 leaking above-ground fuel storage tanks in Alaska. There are several hundred other below-ground tanks that need repair, according to the Alaska Department of Environmental Conservation.

These are not only an Alaskan problem. The highest electricity rates in America are paid by a small community in Missouri, and communities in Maine, as well as islands in Rhode Island and New York will likely qualify for this program. Providing safe drinking water and adequate waste treatment facilities is a problem for very small communities all across this land.

What will this Act do to address these problems? First, the Act authorizes $100 million per year for the years 1999–2005 for block grants to communities of under 10,000 inhabitants who pay more than 150 percent of the national average retail price for electricity.

The grants will be allocated by the Secretary of Housing and Urban Development among eligible communities proportionate to cost of electricity in the community, as compared to the national average. The communities may use the grants only for the following eligible activities:

Low-cost weatherization of homes and other buildings;

Construction and repair of electrical generation, transmission, distribution, and related facilities;

Construction, remediation and repair of bulk fuel storage facilities;

Facilities and training to reduce costs of maintaining and operating electrical generation, distribution, transmission, and related facilities;

Professional management and maintenance for electrical generation, distribution and transmission, and related facilities;

Investigation of the feasibility of alternate energy services;

Construction, operation, maintenance and repair of water and waste water services;

Acquisition and disposition of real property for eligible activities and facilities; and

Development of an implementation plan, including administrative costs for eligible activities and facilities.

In addition, this bill will amend the rural Electrification Act of 1936 to authorize Rural and Remote Electrification Grants for $20 million per year for years 1999–2005 for grants to qualified borrowers under the Act that are in rural and remote communities who pay more than 150 percent of the national average retail price for electricity. These grants can be used to increase energy efficiency, lower electricity rates, or provide or modernize electric facilities.

This Act makes a significant step toward resolving the critical social, economic, and environmental problems faced by our Nation's rural and remote communities. I encourage my colleagues to support this legislation.●

By Mr. ASHCROFT:

S. 2380. A bill to require the written consent of a parent of an unemancipated minor prior to the provision of contraceptive drugs or devices to such a minor, or the referral of such minor for abortion services, under any Federally funded program; to the Committee on the Judiciary.

PUTTING PARENTS FIRST ACT

Mr. ASHCROFT. Mr. President, I rise today to introduce legislation to reaffirm the vital role parents play in the lives of their children. My legislation, the Putting Parents First Act, will guarantee that parents have the opportunity to be involved in their children's most important decisions—whether or not to have an abortion and whether or not to receive federally-subsidized contraception.

The American people have long understood the unique role the family plays in our most cherished values. As usual, President Reagan said it best. Within the American family, Reagan said, ''the seeds of personal character are planted, the roots of public value first nourished. Through love and instruction, discipline, guidance and example, we learn from our mothers and fathers the values that will shape our private lives and public citizenship.''

The Putting Parents First Act contains two distinct provisions to protect the role of parents in the important life decisions of their minor children. The first part ensures that parents are given every opportunity to be involved in a child's decision whether or not to have an abortion. Specifically, the Act prohibits any individual from performing an abortion upon a woman under the age of 18 unless that individual has secured the informed written consent of the minor and a parent or guardian. In accordance with Supreme Court decisions concerning state-passed parental consent laws, the Putting Parents First Act allows a minor to forego the parental involvement requirement where a court has issued a waiver certifying that the process of obtaining the consent of a parent or guardian is not in the best interests of the minor or that the minor is emancipated.

For too long, the issue of abortion has polarized the American people. To some extent, this is the inevitable result of vastly distinct views of what an abortion is. Many, including myself, view abortion as the unconscionable taking of innocent human life. Others, including a majority of Supreme Court Justices, view abortion as a constitutionally-protected alternative for pregnant women.

There are, however, a few areas of common ground where people on both sides of the abortion issue can agree. One such area of agreement is that, whenever possible, parents should be involved in helping their young daughters to make the critically important decision of whether or not to have an abortion. A recent CNN/USA Today survey conducted by the Gallup Organization found that 74 percent of Americans support parental consent before an abortion is performed on a girl under age 18. Even those who do not view an abortion as a taking of human life recognize it as a momentous and life-changing decision that a minor should not make alone. The fact that nearly 40 states have passed laws requiring doctors to notify or seek the consent of a minor's parents before performing an abortion also demonstrates the consensus in favor of parental involvement.

The instruction and guidance of which President Reagan spoke are needed most when children are forced to make important life decisions. It is hard to imagine a decision more fundamental in our culture than whether or not to beget a child. Parental involvement in this crucial decision is necessary to ensure that the sanctity of human life is given appropriate consideration. There are few more issues deserving of our attention than promoting parental involvement.

Only half of the 39 states with parental involvement laws on the books currently enforce them. Some states have enacted laws that have been struck down in state or federal courts while in other states the executive department has chosen not to enforce the legislature's will. As a result, just over 20 states have parental laws in effect today. In these states, parents do not have the right to be involved in their minor children's most fundamental decisions, decisions that can have severe physical and emotional health consequences for young women.

Moreover, in those states where laws requiring consent are on the books and being enforced, those laws are frequently circumvented by pregnant minors who cross state lines to avoid the laws' requirements. Sadly, nowhere is this problem more apparent than in my home state of Missouri. I was proud to have successfully defended Missouri's parental consent law before the Supreme Court in Planned Parenthood versus Ashcroft. Unfortunately, the law has not been as effective as I had hoped. A study last year in the American Journal of Public Health found that the odds of a minor traveling out of state for an abortion increased by over 50 percent after Missouri's parental consent law went into effect.

The limited degree of enforcement and the ease with which state laws can be evaded demand a national solution. The importance of protecting life demands a national solution. It is time for Congress to act. Requiring a parent's consent before a minor can receive an abortion is one way states have chosen to protect not only the role of parents and the health and safety of young women, but also, the lives of the unborn. Congress shares with the states the authority—and duty—to protect life under the Constitution. Thus, enactment of a federal parental consent law will allow Congress to protect the guiding role of parents as it protects human life.

The Putting Parents First Act is based on state statutes that already have been determined to be constitutional by the U.S. Supreme Court. The legislation establishes a minimum level of parental involvement that must be honored nationwide. It does not preempt state parental involvement laws that provide additional protections to the parents of pregnant minors.

The second part of the Putting Parents First Act extends the idea of parental involvement to the arena of federally-subsidized contraception. Currently, the federal government funds many different programs through the Department of Health and Human Services and the Department of Education that can provide prescription contraceptive drugs and devices, as well as abortion referrals, to minors without parental consent.

The case of the little girl from Crystal Lake, IL is just one example, but it makes clear everything that is wrong with current law in this area. In that case, the young girl was just 14 years old when her 37-year-old teacher brought her to the county health department for birth control injections. He wanted to continue having sex with her, but had grown tired of using condoms. A county health official injected the young girl with the controversial birth control drug Depo-Provera without notifying the girl's parents. The teacher knew that federal Title X rules prohibited clinics from notifying parents when issuing birth control drugs to minors. He continued to molest her for 18 months until the girl finally broke down and told her parents. The teacher was arrested and sentenced to ten years in prison. The young girl spent five days a week in therapy and is still recovering from effects of anorexia nervosa.

Although the teacher's crime was unspeakable, it was the federal government's policy that allowed him to shield his crime for so long. This is an outrage. The policy of the Government of the United States should be to help parents to help their children. Providing contraceptives and abortion referrals to children without involving parents undermines, not strengthens the role of parents. Worse yet, it jeopardizes the health of children.

The current law for federally-funded contraceptives puts bureaucrats in front of parents when it comes to a child's decision-making process. That is intolerable. We must put parents first when it comes to such critical decisions. The legislation I am introducing today restores common sense to government policy by requiring programs that receive federal funds to obtain a parent's consent before dispensing contraceptives or referring abortion services to the parent's minor child.

In my view, Mr. President, sound and sensible public policy requires that parents be involved in critical, life-shaping decisions involving their children. A young person whose life is in crisis may be highly anxious, and may want to take a fateful step without their parents' knowledge. But it is at these times of crisis that children need their parents, not government bureaucrats or uninvolved strangers. This legislation will strengthen the family and protect human life by ensuring that parents have the primary role in helping their children when they are making decisions that will shape the rest of their lives.

By Mr. MCCAIN (for himself and Mr. KERRY):

S. 2382. A bill to amend title XIX of the Social Security Act to allow certain community-based organizations and health care providers to determine that a child is presumptively eligible for medical assistance under a State plan under that title; to the Committee on Finance.

CHILDREN'S HEALTH ASSURANCE THROUGH THE MEDICAID PROGRAM (CHAMP) ACT

● Mr. MCCAIN. Mr. President, today I am proud to rise with my colleague and dear friend, JOHN KERRY, to introduce legislation which would help provide thousands, if not millions, of children with health care coverage. Clearly, a bipartisan priority in the 105th Congress has been to find a solution for providing access to health insurance for the approximately 10 million uninsured children in our nation. This matter has been a very high priority for me since coming to Congress. The legislation we are introducing today, the ''Children's Health Assurance through the Medicaid Program'' (CHAMP), would help our states reach more than 3 million uninsured children who are eligible for the Medicaid program but not enrolled.

The consequences of lack of insurance are problematic for everyone, but they are particularly serious for children. Uninsured and low income children are less likely to receive vital primary and preventative care services. This is quite discouraging since it is repeatedly demonstrated that regular health care visits facilitate the continuity of care which plays a critical role in the development of a healthy child. For example, one analysis found that children living in families with incomes below the poverty line were more likely to go without a physician visit than those with Medicaid coverage or those with other insurance. The result is many uninsured, low-income children not seeking health care services until they are seriously sick.

Studies have further demonstrated that many of these children are more likely to be hospitalized or receive their care in emergency rooms, which means higher health care costs for conditions that could have been treated with appropriate outpatient services or prevented through regular check ups.

Last year, as Congress was searching for ways to reduce the number of uninsured children, I kept hearing about children who are uninsured, yet, could qualify for health care insurance through the Medicaid program. I was unable to find specific information about who these children are, where they reside, and why they are not enrolled in the Medicaid program. Subsequently, I requested that the General Accounting Office conduct an in-depth analysis to provide Congress data on uninsured Medicaid eligible children. This information would provide the necessary tools to develop community outreach strategies and education programs to address this problem.

The GAO study was completed in March. The data shows that 3.4 million children are eligible for the Medicaid program (under the minimum federal standards) but are not enrolled. It also shows that these kids are more likely to be part of a working family with parents who are employed but earning a low income. A significant number of these children come from two-parent families rather than single-parent families. The study also discovered that more than thirty-five percent of these children are Hispanic, with seventy-four percent of them residing in Southern or Western states. Finally, the GAO report suggested that states need to be developing and implementing creative outreach and enrollment strategies which specifically target the unenrolled children.

It is important that we build upon these findings and develop methods for states to reach out to these families and educate them about the resources which exist for their children. The CHAMP bill is an important step in this process and would assist these children by expanding the state offices which can presume Medicaid eligibility for a child.

As you know, the 1997 Balanced Budget Act provided states with the option of utilizing ''presumptive eligibility'' as an outreach method for enrolling eligible children into their state Medicaid programs. Presumptive eligibility allows certain agencies to temporarily enroll children in the state Medicaid program for a brief period if the child appears to be eligible for the program based on their family's income. Health care services can be provided to these children if necessary during this ''presumptive'' period while the state Medicaid agency processes the child's application and makes a final determination of their eligibility.

Presumptive eligibility is completely optional for the states and is not mandatory.

Under current law, states are only given the limited choice of using a few specific community agencies for presumptive eligibility including: Head Start Centers, WIC clinics, Medicaid providers and state or local child care agencies. The McCain-Kerry CHAMP bill would expand the types of community-based organizations which would be recognized as qualified entities and permitted to presume eligibility for children. Under our bill, public schools,

entities operating child welfare programs under Title IV-A, Temporary Assistance to Needy Families (TANF) offices and the new Children Health Insurance Program (CHIP) offices would be permitted to help identify Medicaid eligible kids. Allowing more entities to participate in outreach would increase the opportunities for screening children and educating their families about the Medicaid services available to them. By increasing the ''net'' for states, we would be helping them ''capture'' more children who are going without health care services because their families are not familiar, comfortable or aware of the Medicaid program and its enrollment process.

Our bill would help millions of children gain access to health care without creating a new government program, imposing mandates on states, or expanding the role of government in our communities. This is important to note—we would not be creating new agencies, bureaucracies or benefits. Instead we would be increasing the efficiency and effectiveness of a long-standing program designed to help one of our most vulnerable populations, children. We urge our colleagues to support this innovative piece of legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2382

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 ''Children's Health Assurance through the Medicaid Program (CHAMP) Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Twenty-three percent or 3,400,000 of the 15,000,000 medicaid-eligible children went without health insurance in 1996.

(2) Medicaid-eligible children with working parents are more likely to be uninsured.

(3) More than 35 percent of the 3,400,000 million uninsured medicaid-eligible children are Hispanic.

(4) Almost three-fourths of the uninsured medicaid-eligible children live in the Western and Southern States.

(5) Multiple studies have shown that insured children are more likely to receive preventive and primary health care services as well as to have a relationship with a physician.

(6) Studies have shown that a lack of health insurance prevents parents from trying to obtain preventive health care for their children.

(7) These studies demonstrate that low-income and uninsured children are more likely to be hospitalized for conditions that could have been treated with appropriate outpatient services, resulting in higher health care costs.

SEC. 3. ADDITIONAL ENTITIES QUALIFIED TO DETERMINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-INCOME CHILDREN.

Section 1920A(b)(3)(A)(i) of the Social Security Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(1) by striking ''or (II)'' and inserting '', (II)''; and

(2) by inserting ''eligibility of a child for medical assistance under the State plan under this title, or eligibility of a child for child health assistance under the program funded under title XXI, or (III) is an elementary school or secondary school, as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), an elementary or secondary school operated or supported by the Bureau of Indian Affairs, a State child support enforcement agency, a child care resource and referral agency, or a State office or private contractor that accepts applications for or administers a program funded under part A of title IV or that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)'' before the semicolon.●

● Mr. KERRY. Mr. President, I want to thank my friend and colleague Senator MCCAIN for his work on this important issue. I am honored to introduce with him this legislation, entitled the Children's Health Assurance Through the Medicaid Program (CHAMP), which would increase health coverage for eligible children and increase state flexibility.

Mr. President, the Balanced Budget Act of 1997 gave States the option to bring more eligible but uninsured children into Medicaid by allowing states to grant ''presumptive eligibility.'' This means that a child would temporarily be covered by Medicaid if preliminary information suggests that they qualify. Providing health insurance for children is important because studies show that children without health insurance are more likely to be in worse health, less likely to see a doctor, and less likely to receive preventive care such as immunizations.

Mr. President, the legislation Senator MCCAIN and I are introducing today would strengthen the existing option and give states more flexibility. First, it will allow states to rely on a broader range of agencies to assist with Medicaid outreach and enrollment. By expanding the list of community-based providers and state and local agencies to include schools, child support agencies, and some child care facilities, states will be able to make significant gains in the number of children identified and enrolled in Medicaid. States would not be required to rely on these additional providers but would have the flexibility to choose among qualified providers and shape their own outreach and enrollment strategies.

The cost of these changes to the presumptive eligibility option for Medicaid under last year's Balanced Budget Act are modest. Our understanding is that our proposal would cost approximately $250 million over five years. This is a positive step in the right direction, helping ensure that the growing population of American children start off on the right foot. Access to affordable health care in the early years saves the country's financial resources in the long run.

Once again, I would like to thank Senator MCCAIN for his invaluable work on behalf of children. I look forward to working with him and the Senate to pass this important legislation.●

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. KERRY, and Ms. MOSELEY-BRAUN):

S. 2383. A bill to amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor; to the Committee on Labor and Human Resources.

THE CHILDREN'S ACT FOR RESPONSIBLE EMPLOYMENT

● Mr. HARKIN. Mr. President, on behalf of myself, Mr. KENNEDY, Mr. KERRY and Ms. MOSELEY-BRAUN I introduce the Children's Act for Responsible Employment or the CARE Act that will modernize our antiquated domestic child labor laws. Congressman RICHARD GEPHARDT and Congressman TOM LANTOS are introducing companion legislation in the House.

It is hard to imagine that we are on the verge of entering the 21st century and we still have young children working under hazardous conditions in the United States. Unfortunately, outdated U.S. child labor laws that have not been revamped since the 1930's allow this practice to continue.

I have been working on the eradication of child labor overseas since 1992. At that time, I introduced the Child Labor Deterrence Act, which prohibits the importation of products made by abusive and exploitative child labor. Since then, we have made some important progress, but in order to end child labor overseas the U.S. must lead by example and address child labor in our own backyard.

Now, when I talk about child labor, I'm not talking about a part time job or a teenager who helps out on the family farm after school. There is nothing wrong with that. What I am talking about is the nearly 300,000 children illegally employed in the U.S. I would like to insert for the record at this time the testimony of Sergio Reyes, who was expected to testify at a hearing before the Senate Subcommittee on Employment and Training I requested on June 11 of this year. Mr. Reyes was unable to attend that hearing but his written testimony tells a story that is becoming all to familiar in the United States.

According to a recent study by economist Douglas L. Krause of Rutgers University, there are nearly 60,000 children under age 14 working in the U.S. Of those children, one will die every five days in a work related accident according to the National Institute of Occupational Safety and Health. Nowhere is this more true than children who work in agriculture.

In general, children receive fewer protections in agriculture than other industries. The minimum age for hazardous work in agriculture is 16, it is 18 for all other occupations. In a GAO preliminary report released in March 1998,

the researchers noted that ''children working in agriculture are legally permitted to work at younger ages, in more hazardous occupations, and for longer periods of time than their peers in other industries.'' For example, a 13 year old child can not work as a clerk in an air conditioned office building, but can pick strawberries in a field in the middle of summer. That same report noted that over 155,000 children are working in agriculture. However, because that number is based on census data, the Farm Worker Union places the number at nearly 800,000 children working in agriculture.

In December 1997, the Associated Press (AP) did a five part series on child labor in the United States documenting 4 year olds picking chili peppers in New Mexico and 10 year olds harvesting cucumbers in Ohio. In one tragic example reported by the AP, 14 year-old Alexis Jaimes was crushed to death when a 5000 lb. hammer fell on him while working on a construction site in Texas. I was outraged.

At the June hearing of the Senate Employment and Training Subcommittee, two things became clear with regard to U.S. domestic child labor. First, agricultural child laborers are dropping out of school at an alarming rate. Over of 45 percent of farm worker youth will never complete high school. Second, the laws that we do have regarding child labor are inadequate to protect a modern workforce. Our present civil and criminal penalties are simply insufficient to deter compliance with the law and need to be strengthened and more vigorously enforced.

My legislation, which is supported by the Administration and children's advocates groups across the country, such as the Child Labor Coalition and the Solidarity Center, will help rectify this alarming situation. It will; raise the current age of 16 to 18 in order to engage in hazardous agricultural work, close the loopholes in federal child labor laws which allow a three year old to work in the fields, and increase the civil and criminal penalties for child labor violations to a minimum of $500, up from $100 and a maximum of $15,000, up from $10,000.

In closing. Let me say that we must end child labor—the last vestige of slavery in the world. It is time to give all children the chance at a real childhood and give them the skills necessary to compete in tomorrow's work place. There is no excuse for the number of children being maimed or killed in work related accidents when labor saving technologies have been developed in recent years. So, on today's farms, it makes even less sense than ever to put kids in dangerous situations operating hazardous machinery.

Mr. President, I hope that we will be able to vote on this legislation in the near future so that we can prepare our children for the 21st century. I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that a copy of the bill, a letter from the Child Labor Coalition, and the testimony of Sergio Reyes be printed in the RECORD.

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

S. 2383

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

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the ''Children's Act for Responsible Employment'' or the ''CARE Act''.

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. AGRICULTURAL EMPLOYMENT.

Section 13(c) (29 U.S.C. 213(c)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) The provisions of section 12 relating to child labor shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he or she is so employed, if such employee is employed by his or her parent or legal guardian, on a farm owned or operated by such parent or legal guardian.''; and

(2) by striking paragraphs (2) and (4).

SEC. 3. YOUTH PEDDLING.

(a) FAIR LABOR STANDARDS ACT COVERAGE.—

(1) FINDING.—The last sentence of section 2(a) (29 U.S.C. 202(a)) is amended by inserting after ''households'' the following: '', and the employment of employees under the age of 16 years in youth peddling,''.

(2) DEFINITION.—Section 3 (29 U.S.C. 203) is amended by adding at the end the following:

''(y) 'Youth peddling' means selling goods or services to customers at their residences, places of business, or public places such as street corners or public transportation stations. 'Youth peddling' does not include the activities of persons who, as volunteers, sell goods or services on behalf of not-for-profit organizations.''.

(b) DEFINITION OF OPPRESSIVE CHILD LABOR.—Section 3(l) (29 U.S.C. 203(l)) is amended in the last sentence by insert after ''occupations other than'' the following: ''youth peddling,''.

(c) PROHIBITION OF YOUTH PEDDLING.—Section 12(c) (29 U.S.C. 212(c)) is amended by inserting after ''oppressive child labor in commerce or in the production of goods for commerce'' the following: '', or in youth peddling,''.

SEC. 4. CIVIL AND CRIMINAL PENALTIES FOR CHILD LABOR VIOLATIONS.

(a) CIVIL MONEY PENALTIES.—Section 16(e) (29 U.S.C. 216(e)) is amended in the first sentence—

(1) by striking ''$10,000'' and inserting ''$15,000'';

(2) by inserting after ''subject to a civil penalty of'' the following: ''not less than $500 and''.

(b) CRIMINAL PENALTIES.—Section 16(a) (29 U.S.C. 216(a)) is amended by adding at the end the following: ''Any person who violates the provisions of section 15(a)(4), concerning oppressive child labor, shall on conviction be subject to a fine of not more than $15,000, or to imprisonment for not more than 5 years, or both, in the case of a willful or repeat violation that results in or contributes to a fatality of a minor employee or a permanent disability of a minor employee, or a violation which is concurrent with a criminal violation of any other provision of this Act or of any other Federal or State law.''.

SEC. 5. GOODS TAINTED BY OPPRESSIVE CHILD LABOR.

Section 12(a) (29 U.S.C. 212(a)) is amended by striking the period at the end and inserting the following: '': *And provided further,* that the Secretary shall determine the circumstances under which such goods may be allowed to be shipped or delivered for shipment in interstate commerce.''.

SEC. 6. COORDINATION.

Section 4 (29 U.S.C. 204) is amended by adding at the end the following:

''(g) The Secretary shall encourage and establish closer working relationships with non-governmental organizations and with State and local government agencies having responsibility for administering and enforcing labor and safety and health laws. Upon the request of the Secretary, and to the extent permissible under applicable law, State and local government agencies with information regarding injuries and deaths of employees shall submit such information to the Secretary for use as appropriate in the enforcement of section 12 and in the promulgation and interpretation of the regulations and orders authorized by section 3(l). The Secretary may reimburse such State and local government agencies for such services.''.

SEC. 7. REGULATIONS AND MEMORANDUM OF UNDERSTANDING.

(a) REGULATIONS.—The Secretary of Labor shall issue such regulations as are necessary to carry out this Act and the amendments made by this Act.

(b) MEMORANDUM OF UNDERSTANDING.—The Secretary of Labor and the Secretary of Agriculture shall, not later than 180 days after the date of enactment of this Act, enter into a memorandum or understanding to coordinate the development and enforcement of standards to minimize child labor.

SEC. 8. AUTHORIZATION.

There is authorized to be appropriated to the Secretary of Labor such sums as may be necessary for to carry out this Act and the amendments made by this Act.

THE CHILD LABOR COALITION,
Washington, DC, July 30, 1998.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: The Child Labor Coalition thanks you for your leadership over the last six years to end child labor exploitation overseas. Your influence has spurred much of the progress that has been made in the international community.

As you are certainly aware, the United States is not immune to child labor problems. Two of our most significant problems are the escalating injuries to young workers and the inadequate protection of children working in agriculture. The legislation you are introducing is a positive step toward addressing these problems.

Evey year, more than 200,000 minors are injured and more than 100 die in the workplace. Research has shown that injuries often occur when youth are engaged in prohibited duties or occupations. Your legislation to increase penalties for child labor violations will send a clear message to employers to ensure the safety of their young workers through increased diligence in following the child labor laws.

The FLSA does not adequately protect children working as hired farmworkers. Children may work at younger ages, for more hours, and engage in hazardous employment at a younger age than a minor employed in any other workplace or occupation. This has to change and your legislation to equalize

the protections of all children who are working, regardless of the occupation, is applauded.

On behalf of the more than 50 organizational members of the Child Labor Coalition we thank you for your efforts to update our nation's child labor laws and wholeheartedly support this legislation.

Sincerely,

DARLENE S. ADKINS,
Coordinator.

TESTIMONY OF SERGIO REYES BEFORE THE SENATE SUBCOMMITTEE ON EMPLOYMENT AND TRAINING, JUNE 11, 1998

Good morning. My name is Sergio Reyes, and I'm 15 years old. This is my brother Oscar and he is nine years old. We're from Hollister, California, and we are farmworkers like our father and our grandfather. We are permanent residents here in the United States. Thank you for inviting us to speak today about our experience being frameworkers. We both have been farmworkers for five years now, ever since our family came from Mexico. I started working when I was 10 years old, and Oscar started when he was four. He has been working for more than half of his life. We work for as many as 10 hours a days, cutting paprika, topping garlic and pulling onions. The work is very hard and it gets very hot. It's tough working these long and going to school too. We work after school, during the weekends, during the summer and on holidays. Oscar can show you some of the tools that we use and how we top garlic and cut onions. I don't have any idea when pesticides are used on these crops or not.

To do this work we have to stay bent over for most of the time and have to lift heavy bags and buckets filled with the crops that we're picking. It's hard work for adults and very hard work for kids. We work because our family needs the money. I'd rather be in school. I am in the 10th grade and someday I'd like to be a lawyer. Oscar wants to be fireman when he grow up. My family knows how important it is to go to school and get an education. But there are times when working is more important. We know lots of families like ours where the kids drop out of school because they need to work. It's sad because they really need an education or to learn another job skill if they're ever going to get out of the fields. Without an education, I will never become a lawyer and Oscar will never be a fireman.

My dad is trying to get out of farmwork. He is working in farmwork and also in a farmworker job training program to learn another skill. He is trying to get another job so that he can earn more money and have some health insurance. We've never had health insurance before. As hard as my dad works, he's not guaranteed to make a good living. And my dad works very hard. I just hope that when I get older and if something happens to keep me from graduating from school, that there will be a program for Oscar and me.

Thank you for letting us come. We appreciate all the you do that will help our dad, other farmworker kids and my brother Oscar and me.●

By Mr. ASHCROFT (for himself and Mr. FAIRCLOTH):

S. 2384. A bill entitled ''Year 2000 Enhance Cooperation Solution''; to the Committee on the Judiciary.

YEAR 2000 SOLUTION LEGISLATION

Mr. ASHCROFT. Mr. President, I rise today to introduce a bill that addresses a critical problem that demands immediate attention from the Congress.

For many years now I have been involved with a variety of issues that affect the technology sector. As I have said before, no other sector of the economy is as vibrant and forward looking. The ingenuity, drive and vision of this industry should be a model for all of us, including those of us in the Senate. Moreover, the importance of this industry should only grow in the coming years. However, as I look to the future with the hope of seeing the next century stamped ''Made in America'' I see one large impediment—the Year 2000 bug.

The 105th Congress must consider this problem and assist the country in trying to avoid a potentially disastrous crisis. We cannot wait for disaster to strike. We must act now to enable companies to avert the crisis. No individual will be left untouched if the country fails to address this problem and experiences widespread ramifications. No company will escape huge costs if they cannot successfully fix their own problems and have some assurances that their business partners and suppliers have fixed their problems. A great deal of effort has been undertaken to bring attention to this problem, including several efforts here in the U.S. Senate. However, it is now time to move beyond simply highlighting the problem. We need to roll up our sleeves and get to work on a solution.

I begin today to lay out my plan for assisting individuals and businesses to walk safely through the minefield called the Y2K problem. The first part of this overall plan is the Year 2000 Enhanced Cooperation Solution. This legislation provides a very narrow exemption to the antitrust laws if and when a company is engaged in cooperative conduct to alleviate the impact of a year 2000 date failure in hardware or software. The exemption has a clear sunset and expressly ensures that the law continues to prohibit anti-competitive conduct such as boycotts or agreements to allocate markets or fix prices.

This simple, straightforward proposal is critical to allowing for true cooperation in an effort to rectify the problem. No company can solve the Y2K problem alone. Even if one company devises a workable solution to their own problems they still face potential disaster from components provided by outside suppliers. What is more, when companies find workable solutions we certainly want to provide them with every incentive to disseminate those solutions as widely as possible. Cooperation is essential. But without a clear legislative directive, potential antitrust liability will stand in the way of cooperation. We must provide our industries with the appropriate incentives and tools to fix this problem without the threat of antitrust lawsuits based on the very cooperation we ought to be encouraging.

I do want to be very clear on one point—as important as it is that this legislation be enacted and enacted soon, it is merely the first piece of a difficult puzzle. The Administration has presented the Congress with their view of how information sharing on the Y2K problem should be furthered. Based on my initial review, that proposal appears to be headed in the right direction but falls far short of the target destination. Most importantly, the proposed approach which purports to promote information sharing does not accomplish its objective as it leaves the problem of potential antitrust liability. In other words, it does not accomplish the task that it set out to complete.

I will seek the introduction of the second piece of the solution, the Year 2000 Enhanced Information Solution, which while working within the guidelines of the Administration's language will add the teeth, make clear that good faith disclosure of information will be protected, and provide for protection of individual consumers. Together with the antitrust legislation I introduce today, this should provide sufficient protection to promote the kind of cooperation that will be essential to addressing this looming problem.

The final piece of the package will be the Year 2000 Litigation Solution. Real harm from inadequate efforts to address this problem must be compensated. However, we cannot allow the prospect of frivolous litigation to block efforts to avoid such harm. We also must ensure that frivolous litigation over the Y2K problem does not consume the lion's share of the next millennium. While it is not possible for Congress to guarantee that private individuals and companies will be able to solve the Y2K problem, Congress can eliminate legal obstacles that stand in the way of private solutions. Information regarding existing software and known problems must be shared as completely and openly as possible. The current fear of litigation and liability that imposes a distinct chilling effect on information sharing must be alleviated.

Resources to address the Y2K problem, particularly time, are finite. They must be focused as fully as possible on remediation, rather than on unproductive litigation. Moreover, the availability of adequate development and programming talent may hinge upon a working environment that protects good faith remediation efforts from the threat of liability for their work. Congress must prevent a fiasco where only lawyers win.

I look forward to working with those that are interested as this process moves forward. I believe that this Congress cannot wait to address this problem. This issue is about time, and we have precious little left in this Congress and before the Y2K problem is upon us. I hope we can work together to free up talented individuals to address this serious problem.

By Mr. BENNETT (for himself and Mr. HATCH):

S. 2385. A bill to establish the San Rafael Swell National Heritage Area and the San Rafael National Conservation Area in the State of Utah, and for other purposes; to the Committee on Energy and Natural Resources.

THE SAN RAFAEL NATIONAL HERITAGE AND CONSERVATION ACT

Mr. BENNETT. Mr. President, I am pleased to introduce the ''San Rafael National Heritage and Conservation Act'' and I am pleased to be joined by Senator HATCH in this effort.

The San Rafael National Heritage and Conservation Act not only accomplishes the preservation of an important historic area, but it is the result of a collaborative approach among Federal land managers, state and local governments and other concerned agencies and organizations. This revised legislation incorporates several of the suggestions of the Administration, the House and those who originally expressed concerns about the bill as introduced in the House. The legislation we introduce today is the result of months of discussions between the Bureau of Land Management, the citizens of Emery County and Members of Congress. It is a good-faith effort to initiate what we hope will bring resolution to the larger philosophical differences between land management practices in Utah. With a little luck, we might even begin a process which could lead to a resolution to the ongoing Utah wilderness debate.

The San Rafael Swell region in the State of Utah was one of America's last frontiers. I have in my office, a map of the State of Utah drafted in 1876 in which large portions of the San Rafael Swell were simply left blank because they were yet to be explored. Visitors who comment on this map are amazed when they see that large portions of the San Rafael area remained unmapped thirty years after the Mormon pioneers arrived in the Salt Lake Valley.

This area is known for its important historical sites, notable tradition of mining, widely recognized paleontological resources, and numerous recreational opportunities. As such, it needs to be protected. The San Rafael Swell National Conservation Area created through this legislation will be approximately 630,000 acres in size and will comprise wilderness, a Bighorn Sheep Management Area, a scenic Area of Critical Environmental Concern, and Semi-Primitive Area of Non-Motorized Use. The value of the new management structure for the National Conservation Area can be found in the flexibility it gives in addressing a broad array of issues from the protection of critical lands to the oversight of recreational uses.

The San Rafael National Heritage and Conservation Act sets aside 130,000 acres as BLM wilderness lands. It permanently removes the threat of mining, oil drilling, and timbering from the Swell. It also sets aside a conservation area of significant size to protect Utah's largest herd of Desert Bighorn Sheep. Vehicle travel is restricted to designated roads and trails in other areas and visitors recreational facilities are provided. Finally, it will assist the BLM and the local communities in developing a long term strategy to preserve the history and heritage of the region through the National Heritage Area. Careful study of the bill shows that the San Rafael Swell National Heritage and Conservation Act is a multidimensional management plan for an area with multidimensional needs. It provides comprehensive protection and management for an entire ecosystem.

My colleagues in the House have worked hard to address the concerns of the Administration and they have made several changes to the House version as introduced in an effort to improve the legislation. We have redrawn maps, eliminated roads from wilderness areas, eliminated cherry stems of other roads and increased the size of wilderness and semi-primitive areas. Specifically, by including new provisions dealing with the Compact and Heritage Plan, the new language ensures that the resources found in the county will be properly surveyed and understood prior to the Heritage Area moving forward.

With regards to the Conservation Area, bill language guarantees that the management plan will not impair any of the important resources within the Swell. We have also included new language that ensures the Secretary of Interior is fully represented on the Advisory Council.

The San Rafael Swell National Heritage and Conservation Act is unique in that it sets the San Rafael Swell apart from Utah's other national parks and monuments. It protects not only the important lands in this area but also another resource just as precious—its captivating history and heritage. This bill is an example of how a legislative solution can result from a grassroots effort involving both state and local government officials, the BLM, historical preservation groups, and wildlife enthusiasts. Most important, it takes the necessary steps to preserve the wilderness value of these lands.

This legislation has broad statewide and local support. It is sound, reasonable, and innovative in its approach to protecting and managing the public land treasures of the San Rafael Swell. Finally, it is based on the scientific methods of ecosystem management and prevents the fracturing of large areas of multiple use lands with small parcels of wilderness interspersed between.

Mr. President, I will conclude with this point; the wilderness debate in Utah has gone on too long. My colleagues will be reminded that in the last Congress, the debate centered around whether two million acres or 5.7 million acres were the proper amount of wilderness to designate. We are now trying to protect more than 600,000 acres in one county in Utah alone. The Emery County Commissioners should be commended for their foresight and vision in preparing this proposal. I hope that this legislation can become a model for future conflict resolutions.

Unfortunately, the shouting match over acreage has often drowned out the discussion over what types of protection were in order for these lands. I doubt that there are few people who would debate the need to protect these lands. But too often in the past we have argued over the definition of what constitutes ''protection.'' Unfortunately for some groups, a certain designation is the only method of acceptable protection. I urge those groups to look beyond the trees and see the forest for a change. Should these groups decide to come to the table, lend their considerable expertise to our efforts and try to reach a consensus, the first steps toward resolving the decades-old wilderness debate in Utah will have been taken.

I hope my colleagues will carefully review this legislation and support for this bill.

Mr. HATCH. Mr. President, I rise in support of the San Rafael Swell National Heritage and Conservation Act. As a cosponsor of this measure, I applaud the efforts of my friend and colleague, Senator BENNETT, for bringing this matter before the United States Senate. This is a refreshing approach to managing public lands in the West.

This legislation reflects the ability of our citizens to make wise decisions about how land in their area should be used and protected. It is an article of our democracy that we recognize the prerogatives and preferences of citizens who are most affected by public policy. This measure gives citizens who live next to these lands a say as to what is right and appropriate for the land's management. I believe this initiative, which began locally at the grassroots level, is a cynosure for future land management decisions in the West.

Much more than simply protecting rocks and soil, this legislation safeguards wildlife and their habitat, cultural sites and artifacts, and Indian and Western heritage. This is not your standard one-size-fits-all land management plan. It provides for the conservation of this unique area, opting to encourage visitors not development.

Mr. President, the San Rafael Swell is an area of immense scenic beauty and cultural heritage. It was once the home to Native Americans who adorned the area with petroglyphs on the rock outcrops and canyon walls. What were once their dwellings are now significant archaeological sites scattered throughout the Swell. After the Indian tribes came explorers, trappers, and outlaws. In the 1870s, ranchers and cowboys came to the area and began grazing the land, managing it for its continued sustainability. Today, there are still citizens with roots in this long western tradition. These citizens understand the land; they understand conservation and preservation

principles; and they want to see the land they love and depend on preserved for present and future generations.

First of all, Mr. President, this legislation sets up a National Heritage Area, the first of its kind west of the Mississippi. In the new National Heritage Area, tourists will walk where Indians walked and where other outstanding historical figures such as Kit Carson, Chief Walker, Jedediah Smith, John Wesley Powell, Butch Cassidy, and John C. Fremont spent time. The area already boasts a number of fine museums, including the John Wesley Powell Museum, the Museum of the San Rafael, the College of Eastern Utah Prehistoric Museum, the Helper Mining Museum, and the Cleveland-Lloyd Dinosaur Quarry. Consolidated under the new National Heritage Area, these important sites and museums will add a Western flavor to the already diverse network of existing National Heritage Areas in our nation.

Next, this legislation sets up one of our nation's most significant and dynamic conservation areas. The San Rafael Conservation Area will encompass the entire San Rafael Swell and protect approximately 1 million acres of scenic splendor. The area will be managed according to the same standards set by Congress for all other conservation areas. In fact, this legislation withdraws the entire San Rafael Swell from future oil drilling, logging, mining, and tar sands development. Moreover, the area will protect important paleontological resources including an area on the northern edge of the Swell know as the Cleveland-Lloyd Dinosaur Quarry which was set aside in 1966 as a National Natural Landmark, preserving one of the largest sources of fossils in the New World.

Of particular interest, Mr. President, is the designation of the Desert Bighorn Sheep National Management Area. This provision ensures that our precious herd of bighorn sheep will continue to be monitored by state wildlife managers. The bill also provides strict protections to other resources in the area. Last but not least, Mr. President, this legislation formally designates certain areas within the Swell as wilderness.

This proposal preserves a portion of the West as it currently exists and allows for traditional uses, where appropriate, such as hunting, trapping, and fishing. It will foster the development and management of tourism in keeping with the overall goals of preservation. This management concept is one of multiple use and allows for the continuation of working landscapes including agriculture, irrigation, and ranching, which are a part of our Western tradition.

Mr. President, this initiative is compatible with local and regional needs, but it invites the world to come and enjoy the natural and historical treasures of the San Rafael Swell. I urge my colleagues to support this important citizens' initiative to preserve the San Rafael Swell.

By Mr. BIDEN:

S. 2387. A bill to confer and confirm Presidential authority to use force abroad, to set forth procedures governing the exercise of that authority, and thereby to facilitate cooperation between the President and Congress in decisions concerning the use or deployment of United States Armed Forces abroad in situations of actual or potential hostilities; to the Committee on Foreign Relations.

USE OF FORCE ACT

● Mr. BIDEN. Mr. President, today I introduce legislation designed to provide a framework for joint congressional-executive decision-making about the most solemn decision that a nation can make: to send men and women to fight and die for their country.

Entitled the ''Use of Force Act,'' the legislation would replace the war powers resolution of 1973 with a new mechanism that, I hope, will be more effective than the existing statute.

Enacted nearly a quarter century ago, over the veto of President Nixon, the war powers resolution has enjoyed an unhappy fate—scorned by Presidents who questioned its constitutionality, and ignored by a Congress too timid to exercise its constitutional duty.

That was not, of course, the intent of its framers, who sought to improve executive-congressional cooperation on questions involving the use of force—and to remedy a dangerous constitutional imbalance.

This imbalance resulted from what I call the ''monarchist'' view of the war power—the thesis that the President holds nearly unlimited power to direct American forces into action.

The thesis is largely a product of the cold war and the nuclear age: the view that, at a time when the fate of the planet itself appeared to rest with two men thousands of miles apart, Congress had little choice, or so it was claimed but to cede tremendous authority to the executive.

This thesis first emerged in 1950, when President Truman sent forces to Korea without congressional authorization. It peaked twenty years later, in 1970, when President Nixon sent U.S. forces into Cambodia—also without congressional authorization, but this time accompanied by sweeping assertions of autonomous Presidential power.

President Nixon's theory was so extreme that it prompted the Senate to begin a search—a search led by Republican Jacob Javits and strongly supported by a conservative Democrat, John Stennis of Mississippi—for some means of rectifying the constitutional imbalance. That search culminated in the war powers resolution.

Unfortunately, the war powers resolution has failed to fulfill its objective. If anything, the monarchist view has become more deeply ingrained with the passage of time.

This trend was been on display throughout this decade. Before the gulf war, for example, with half a million American forces standing ready in Saudi Arabia—a situation clearly requiring congressional authorization—President Bush still refused to concede that he required an act of Congress before using force. Only at the last minute, and only grudgingly, did President Bush seek congressional support. Even then, he continued to assert that he sought only support, refusing to concede that congressional authorization was a legal necessity.

Several years ago, the notion of broad executive power was claimed on the eve of a proposed invasion of Haiti—an invasion that, thankfully, was averted by a last-minute diplomatic initiative.

In 1994, officials of the Clinton administration characterized the Haiti operation as a mere ''police action''—a semantic dodge designed to avoid congressional authorization—and a demonstration that the monarchist view prevails in the White House, without regard to political party.

And, most recently, the Clinton administration asserted that it had all the authority it needed to initiate a military attack against Iraq—though it never publicly elaborated on this supposed authority.

In this case, the question was not clear-cut—as it was in 1991. But two things emerged in the debate that reinforce the need for this legislation. First, it demonstrated that the executive instinct to find ''sufficient legal authority'' to use force is undiluted.

Second, it demonstrated that Congress often lacks the institutional will to carry out its responsibilities under the war power. Although there was strong consensus that a strong response was required to Saddam Hussein's resistance to U.N. inspections, there was no consensus in this body about whether Congress itself should authorize military action. Lacking such a consensus, Congress did nothing.

Congress' responsibilities could not be clearer. Article one, section eight, clause eleven of the Constitution grants to Congress the power ''to declare war, grant letters of marque and reprisal and to make rules concerning captures on land and water.''

To the President, the Constitution provides in article two, section two the role of ''Commander in Chief of the Army and Navy of the United States.''

It may fairly be said that, with regard to many constitutional provisions, the Framers' intent was ambiguous. But on the war power, both the contemporaneous evidence and the early construction of these clauses do not leave much room for doubt.

The original draft of the Constitution would have given to Congress the power to ''make war.'' At the Constitutional Convention, a motion was made to change this to ''declare war.'' The reason for the change is instructive.

At the Convention, James Madison and Elbridge Gerry argued for the

amendment solely in order to permit the President the power ''to repel sudden attacks.'' Just one delegate, Pierce Butler of South Carolina, suggested that the President should be given the power to initiate war.

The rationale for vesting the power to launch war in Congress was simple. The Framers' views were dominated by their experience with the British King, who had unfettered power to start wars. Such powers the Framers were determined to deny the President.

Even Alexander Hamilton, a staunch advocate of Presidential power, emphasized that the President's power as Commander in Chief would be ''much inferior'' to the British King, amounting to ''nothing more than the supreme command and direction of the military and naval forces,'' while that of the British King ''extends to declaring of war and to the raising and regulating of fleets and armies—all which, by [the U.S.] Constitution, would appertain to the legislature.''

It is frequently contended by those who favor vast Presidential powers that Congress was granted only the ceremonial power to declare war. But the Framers had little interest, it seems, in the ceremonial aspects of war. The real issue was congressional authorization of war. As Hamilton noted in Federalist twenty-five, the ''ceremony of a formal denunciation of war has of late fallen into disuse.''

The conclusion that Congress was given the power to initiate all wars, except to repel attacks on the United States, is also strengthened in view of the second part of the war clause: the power to ''grant letters of marque and reprisal.''

An anachronism today, letters of marque and reprisal were licenses issued by governments empowering agents to seize enemy ships or take action on land short of all-out war. In essence, it was an eighteenth century version of what we now regarded as ''limited war'' or ''police actions.''

The framers undoubtedly knew that reprisals, or ''imperfect war,'' could lead to an all-out war. England, for example, had fought five wars between 1652 and 1756 which were preceded by public naval reprisals.

Surely, those who met at Philadelphia—all learned men—knew and understood this history. Given this, the only logical conclusion is that the framers intended to grant to Congress the power to initiate all hostilities, even limited wars.

In sum, to accept the proposition that the war power is merely ceremonial, or applies only to ''big wars,'' is to read much of the war clause out of the Constitution. Such a reading is supported neither by the plain language of the text, or the original intent of the framers.

Any doubt about the wisdom of relying on this interpretation of the intent of the framers is dispelled in view of the actions of early Presidents, early Congresses, and early Supreme Court decisions.

Our earliest Presidents were extremely cautious about encroaching on Congress' power under the war clause.

For example, in 1793, the first President, George Washington, stated that offensive operations against an indian tribe, the Creek Nation, depended on congressional action: ''The Constitution vests the power of declaring war with Congress; therefore no offensive expedition of importance can be undertaken until after they have deliberated upon the subject, and authorized such a measure.''

During the Presidency of John Adams, the United States engaged in an undeclared naval war with France. But it bears emphasis that these military engagements were clearly authorized by Congress by a series of incremental statutes.

The naval war with France also yielded three important Supreme Court decisions regarding the scope of the war power.

In 1799, Congress authorized the President to intercept any U.S. vessels headed to France. President Adams subsequently ordered the Navy to seize any ships traveling to or from France.

The Supreme Court declared the seizure of a U.S. vessel traveling from France to be illegal—thus ruling that Congress had the power not only to authorize limited war, and but also to limit Presidential power to take military action.

The court ruled in two other cases bearing on the question of limited war. Wars, the Court said, even if ''imperfect,'' are nonetheless wars. In still another case, Chief Justice Marshall opined that ''the whole powers of war [are] by the Constitution . . . vested in Congress . . . [which] may authorize general hostilities . . . or partial war.''

These precedents, and the historical record of actions taken by other early Presidents, have significantly more bearing on the meaning of the war clause than the modern era.

As Chief Justice Warren once wrote, ''The precedential value of [prior practice] tends to increase in proportion to the proximity'' to the constitutional convention.

Unfortunately, this constitutional history seems largely forgotten, and the doctrine of Presidential power that arose during the cold war remains in vogue.

To accept the status quo requires us to believe that the constitutional imbalance serves our nation well. But it can hardly be said that it does.

As matters now stand, Congress is denied its proper role in sharing in the decision to commit American troops, and the President is deprived of the consensus to help carry this policy through.

I believe that only by establishing an effective war powers mechanism can we ensure that both of these goals are met. The question then is this: How to revise the war powers resolution in a manner that gains bipartisan support—and support of the executive?

In the past two decades, a premise has gained wide acceptance that the war powers resolution is fatally flawed. Indeed, there are flaws in the resolution but they need not have been fatal.

In 1988, determining that a review of the war powers resolution was in order, the Foreign Relations Committee established a special subcommittee to assume the task.

As chairman of the subcommittee, I conducted extensive hearings. Over the course of two months, the subcommittee heard from many distinguished witnesses: former President Ford, former Secretaries of State and Defense, former Joint Chiefs of Staff, former Members of Congress who drafted the war powers resolution, and many constitutional scholars.

At the end of that process, I wrote a law review article describing how the war powers resolution might be thoroughly rewritten to overcome its actual and perceived liabilities.

That effort provided the foundation for the legislation I introduced in the 104th Congress, and that I reintroduce today. The bill has many elements; I will briefly summarize it.

First, the bill replaces the war powers resolution with a new version. But I should make clear that I retain its central element: a time-clock mechanism that limits the President's power to use force abroad. That mechanism, it bears emphasis, was found to be unambiguously constitutional in a 1980 opinion issued by the Office of Legal Counsel at the Department of Justice.

It is often asserted that the time-clock provisions is ''unworkable,'' or that it invites our adversaries to make a conflict so painful in the short run so as to induce timidity in the Congress.

But with or without a war powers law, American willingness to undertake sustained hostilities will always be subject to democratic pressures. A statutory mechanism is simply a means of delineating procedure.

And the procedure set forth in this legislation assures that if the President wants an early congressional vote on a use of force abroad, his congressional supporters can produce it.

Recent history tells us, of course, that the American people, as well as Congress, rally around the flag—and the Commander-in-Chief—in the early moments of a military deployment.

Second, my bill defuses the specter that a ''timid Congress'' can simply sit on its hands and permit the authority for a deployment to expire.

First, it establishes elaborate expedited procedures designed to ensure that a vote will occur. And it explicitly defeats the ''timid Congress'' specter by granting to the President the authority he has sought if these procedures nonetheless fail to produce a vote.

Thus, if the President requests authority for a sustained use of force—one outside the realm of emergency—and Congress fails to vote, the President's authority is extended indefinitely.

Third, the legislation delineates what I call the ''going in'' authorities for the President to use force. One fundamental weakness of the war powers resolution is that it fails to acknowledge powers that most scholars agree are inherent Presidential powers: to repel an armed attack upon the United States or its Armed Forces, or to rescue Americans abroad.

My legislation corrects this deficiency by enumerating five instances where the President may use force:

(1) To repel attack on U.S. territory or U.S. forces;

(2) To deal with urgent situations threatening supreme U.S. interests;

(3) To extricate imperiled U.S. citizens;

(4) To forestall or retaliate against specific acts of terrorism;

(5) To defend against substantial threats to international sea lanes or airspace;

It may be that no such enumeration can be exhaustive. But the circumstances set forth would have sanctioned virtually every use of force by the United States since World War Two.

This concession of authority is circumscribed by the maintenance of the time-clock provision.

After sixty days have passed, the President's authority would expire, unless one of three conditions had been met:

(1) Congress has declared war or enacted specific statutory authorization;

(2) The President has requested authority for an extended use of force but Congress has failed to act on that request, notwithstanding the expedited procedures established by this act:

(3) The President has certified the existence of an emergency threatening the supreme national interests of the United States.

The legislation also affirms the importance of consultation between the President and Congress and establishes a new means to facilitate it.

To overcome the common complaint that Presidents must contend with ''535 Secretaries of State,'' the bill establishes a congressional leadership group with whom the President is mandated to consult on the use of force.

Another infirmity of the war powers resolution is that it fails to define ''hostilities.'' Thus, Presidents frequently engaged in a verbal gymnastics of insisting that ''hostilities'' were not ''imminent''—even when hundreds of thousands of troops were positioned in the Arabian desert opposite Saddam's legions.

Therefore, the legislation includes a more precise definition of what constitutes a ''use of force.''

Finally, to make the statutory mechanism complete, the use of force act provides a means for judicial review. Because I share the reluctance of many of my colleagues to inject the judiciary into decisions that should be made by the political branches, this provision is extremely limited. It empowers a three-judge panel to decide only whether the time-clock mechanism has been triggered.

The bill contains a provision granting standing to Members of Congress, a door that the Supreme Court appears to have largely closed in the case of Raines versus Byrd—the line-item veto challenge brought by the senior Senator from West Virginia. I believe, notwithstanding the holding of that case, that a Member of Congress would suffer the concrete injury necessary to satisfy the standing requirement under article three of the Constitution.

The reason is this: The failure of the President to submit a use of force report would harm the ability of a Member of Congress to exercise a power clearly reposed in Congress under article one, section eight. That injury, I believe, should suffice in clearing the high hurdle on standing which the Court imposed in the Byrd case. No private individual can bring such a suit; if a Member of Congress cannot, then no one can.

I have no illusions that enacting this legislation will be easy. But I am determined to try.

The status quo—with Presidents asserting broad executive power, and Congress often content to surrender its constitutional powers—does not serve the American people well.

More fundamentally, it does not serve the men and women who risk their lives to defend our interests. For that, ultimately, must be the test of any war powers law.

Mr. President, I ask unanimous consent that the section-by-section analysis be included in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. *Short Title.* The title of the bill is the ''Use of Force Act (UFA).''

Section 2. *Table of Contents.*

Section 3. *Findings.* This section sets forth three findings regarding the need to provide a statutory framework to facilitate joint decisionmaking between Congress and the President regarding decisions to use force abroad.

Section 4. *Statement of Purpose.* The key phrase in this section is ''confer and confirm Presidential authority.'' The Use of Force Act is designed to bridge the long-standing—and, for all practical purposes, unresolvable—dispute over precisely what constitutes the President's ''inherent'' authority to use force. Whereas the War Powers Resolution purported to delineate the President's constitutional authority and to grant no more, the Use of Force Act sets forth a range of authorities that are practical for the modern age and sufficiently broad to subsume all presidential authorities deemed ''inherent'' by any reasonable constitutional interpretation.

Section 5. *Definitions.* This section defines a number of terms, including the term ''use of force abroad,'' thus correcting a major flaw of the War Powers Resolution, which left undefined the term ''hostilities.''

As defined in the Use of Force Act, a ''use of force abroad'' comprises two prongs:

(1) a deployment of U.S. armed forces (either a new introduction of forces, a significant expansion of the U.S. military presence in a country, or a commitment to a new mission or objective); and

(2) the deployment is aimed at deterring an identified threat, or the forces deployed are incurring or inflicting casualties (or are operating with a substantial possibility of incurring or inflicting casualties).

TITLE I—GENERAL PROVISIONS

Section 101. *Authority and Governing Principles.* This section sets forth the Presidential authorities being ''conferred and confirmed.'' Based on the Constitution and this Act, the President may use force—

(1) to repel an attack on U.S. territory or U.S. forces;

(2) to deal with urgent situations threatening supreme U.S. interests;

(3) to extricate imperiled U.S. citizens;

(4) to forestall or retaliate against specific acts of terrorism;

(5) to defend against substantial threats to international sea lanes or airspace.

Against a complaint that this list is excessively permissive, it should be emphasized that these are the President's initial authorities to undertake a use of force—so-called ''going in'' authorities—and that the ''staying in'' conditions set forth in section 104 will, in most cases, bear heavily on the President's original decision.

Section 102. *Consultation.* Section 102 affirms the importance of consultation between the President and Congress and establishes new means to facilitate it. To overcome the common complaint that Presidents must contend with ''535 secretaries of state,'' the UFA establishes a Congressional Leadership Group with whom the President is mandated to consult on the use of force.

A framework of regular consultations between specified Executive branch officials and relevant congressional committees is also mandated in order to establish a ''norm'' of consultative interaction and in hope of overcoming what many find to be the overly theatrical public-hearing process that has superseded the more frank and informal consultations of earlier years.

Note: An alternative to the Use of Force Act is to repeal (or effectively repeal) the War Powers Resolution and leave in its place *only* a Congressional Leadership Group. (This is the essence of S.J. Res. 323, 100th Congress, legislation to amend the War Powers Resolution introduced by Senators Byrd, Warner, Nunn, and Mitchell in 1988.) This approach, which relies on ''consultation and the Constitution,'' avoids the complexities of enacting legislation such as the UFA but fails to solve chronic problems of procedure or authority, leaving matters of process and power to be debated anew as each crisis arises. In contrast, the Use of Force Act would perform one of the valuable functions of law, which is to guide individual and institutional behavior.

Section 103. *Reporting Requirements.* Section 103 requires that the President report in writing to the Congress concerning any use of force, not later than 48 hours after commencing a use of force abroad.

Section 104. *Conditions for Extended Use of Force.* Section 104 sets forth the ''staying in'' conditions: that is, the conditions that must be met if the President is to sustain a use of force he has begun under the authorities set forth in section 101. A use of force may extend beyond 60 days only if—

(1) Congress has declared war or enacted specific statutory authorization;

(2) the President has requested authority for an extended use of force but Congress has failed to act on that request (notwithstanding the expedited procedures established by Title II of this Act);

(3) the President has certified the existence of an emergency threatening the supreme national interests of the United States.

The second and third conditions are designed to provide sound means other than a declaration of war or the enactment of specific statutory authority by which the President may engage in an extended use of force. Through these conditions, the Use of Force Act avoids two principal criticisms of the War Powers Resolution: (1) that Congress could irresponsibly require a force withdrawal simply through inaction; and (2) that the law might, under certain circumstances, unconstitutionally deny the President the use of his ''inherent'' authority.

To defuse the specter of a President hamstrung by a Congress too timid or inept to face its responsibilities, the UFA uses two means: first, it establishes elaborate expedited procedures designed to ensure that a vote will occur; second, it explicitly defeats the ''timid Congress'' specter by granting to the President the authority he has sought if these procedures nonetheless fail to produce a vote. Thus, if the President requests authority for a sustained use of force—one outside the realm of emergency—and Congress fails to vote, the President's authority is extended indefinitely.

The final condition should satisfy all but proponents of an extreme ''monarchist'' interpretation under which the President has the constitutional authority to use force as he sees fit. Under all other interpretations, the concept of an ''inherent'' authority depends upon the element of emergency: the need for the President to act under urgent circumstances to defend the nation's security and its citizens. If so, the UFA protects any ''inherent'' presidential authority by affirming his ability to act for up to 60 days under the broad-ranging authorities in section 101 and, in the event he is prepared to certify an extended national emergency, to exercise the authority available to him through the final condition of section 104.

Section 105. *Measures Eligible for Congressional Priority Procedures.* This section establishes criteria by which joint and concurrent resolutions become eligible for the expedited procedures created by Title II of the UFA.

A joint resolution that declares war or provides specific statutory authorization—or one that terminates, limits, or prohibits a use of force—becomes eligible if it is introduced: (1) pursuant to a written request by the President to any one member of Congress; (2) if cosponsored by a majority of the members of the Congressional Leadership Group in the house where introduced; or (3) if cosponsored by 30 percent of the members of either house. Thus, there is almost no conceivable instance in which a President can be denied a prompt vote: he need only ask *one member of Congress* to introduce a resolution on his behalf.

A concurrent resolution becomes eligible if it meets either of the cosponsorship criteria cited above and contains a finding that a use of force abroad began on a certain date, or has exceeded the 60 day limitation, or has been undertaken outside the authority provided by section 101, or is being conducted in a manner inconsistent with the governing principles set forth in section 101.

While having no direct legal effect, the passage of a concurrent resolution under the UFA could have considerable significance: politically, it would represent a clear, prompt, and formal congressional repudiation of a presidential action; within Congress, it would trigger parliamentary rules blocking further consideration of measures providing funds for the use of force in question (as provided by section 106 of the UFA); and juridically, it would become a consideration in any action brought by a member of Congress for declaratory judgment and injunctive relief (as envisaged by section 107 of the UFA).

Section 106. *Funding Limitations.* This section prohibits the expenditure of funds for any use of force inconsistent with the UFA. Further, this section exercises the power of Congress to make its own rules by providing that a point of order will lie against any measure containing funds to perpetuate a use of force that Congress, by concurrent resolution, has found to be illegitimate.

Section 107. *Judicial Review.* This section permits judicial review of any action brought by a Member of Congress on the grounds that the UFA has been violated. It does so by—

(1) granting standing to any Member of Congress who brings suit in the U.S. District Court for the District of Columbia;

(2) providing that neither the District Court nor the Supreme Court may refuse to make a determination on the merits based on certain judicial doctrines, such as political question or ripeness (doctrines invoked previously by courts to avoid deciding cases regarding the war power);

(3) prescribing the judicial remedies available to the District Court; and

(4) creating a right of direct appeal to the Supreme Court and encouraging expeditious consideration of such appeal.

It bears emphasis that the remedy prescribed is modest, and does not risk unwarranted interference of the judicial branch in a decision better reposed in the political branches. It provides that the matter must be heard by a three-judge panel; one of these judges must a circuit judge. Additionally, the power of the court is extremely limited: it may only declare that the 60-day period set forth in Section 104 has begun.

In 1997, the Supreme Court held, in *Raines v. Byrd*, that Members of Congress did not have standing to challenge an alleged constitutional violation under the Line-Item Veto Act. That case might be read to suggest that a Member of Congress can never attain standing. But such a conclusion would be unwarranted. First, the Court made clear in *Raines* that an explicit grant of authority to bring a suit eliminates any ''prudential'' limitations on standing. *Raines v. Byrd*, 521 U.S. ___, ___, n.3 (1997) (slip op., at 8, n.3) Second, a more recent decision of the Court suggests that a Member of Congress could attain ''constitutional standing'' (that is, meet the ''case or controversy'' requirements of Article III) in just the sort of case envisaged by the Use of Force Act. In *Federal Election Commission v. Akins*, a case decided on June 1, 1998, the Court permitted standing in a case where the plaintiffs sought to require the Federal Election Commission (FEC) to treat an organization as a ''political committee,'' which then would have triggered public disclosure of certain information about that organization. The Court held that standing would be permitted where the plaintiff ''fails to obtain information which must be publicly disclosed pursuant to statute.'' A case under the Use of Force Act would be analogous—in that the plaintiff Members of Congress would seek information in a ''Use of Force Report'' required to be submitted to Congress by Section 103(a). Such information, quite obviously, would be essential to Members of Congress in the exercise of their constitutional powers under the war clause of the Constitution (Article I, Section 8, Clause 11), a power they alone possess.

Section 108. *Interpretation.* This section clarifies several points of interpretation, including these: that authority to use force is not derived from other statutes or from treaties (which create international obligations but not authority in a domestic, constitutional context); and that the failure of Congress to pass any joint or concurrent resolution concerning a particular use of force may not be construed as indicating congressional authorization or approval.

Section 109. *Severability.* This section stipulates that certain sections of the UFA would be null and void, and others not affected, if specified provisions of the UFA were held by the Courts to be invalid.

Section 110. *Repeal of War Powers Resolution.* Section 110 repeals the War Powers Resolution of 1973.

TITLE II—EXPEDITED PROCEDURES

Section 201. *Priority Procedures.* Section 201 provides for the expedited parliamentary procedures that are integral to the functioning of the Act. (These procedures are drawn from the war powers legislation cited earlier, introduced by Senator Robert Byrd *et al.* in 1988.)

Section 202. *Repeal of Obsolete Expedited Procedures.* Section 202 repeals other expedited procedures provided for in existing law.●

By Mr. DORGAN.

S. 2388. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion for gain from the sale of farmland which is similar to the exclusion from gain on the sale of a principal residence; to the Committee on Finance.

LEGISLATION TO PROVIDE EXCLUSION FOR GAIN FROM THE SALE OF FARMLAND

● Mr. DORGAN. Mr. President, a new and disastrous farm crisis is roaring through the Upper Midwest. Family farmers are under severe assault and many of them are simply not making it. It's not their fault. It's just that the combination of bad weather, crop disease, low yield, low prices and bad federal farm policy is too much to handle. Under the current federal farm law there is no price safety net. Farmers are—as they were in the 1930's —at the mercy of forces much bigger than they are.

The exodus occurring from family farms in the Upper Midwest is heartbreaking and demands the immediate attention of this Congress. We need to address this problem both within the farm program and in other policy areas as well.

For example, Mr. President, there's a fundamental flaw in the tax code that we need to fix. It adds insult to injury for many of these farmers. You see, too often, these family farmers are not able to take full advantage of the $500,000 capital gains tax break that city folks get when they sell their homes. Once family farmers have been beaten down and forced to sell the farm they've farmed for generations, they get a rude awakening. Many of them discover, as they leave the farm, that Uncle Sam is waiting for them at the end of the lane with a big tax bill.

One of the most popular provisions included in last year's major tax bill permits families to exclude from federal income tax up to $500,000 of gain from the sale of their principal residences. That's a good deal, especially for most urban and suburban dwellers who have spent many years paying for their houses, and who regard their houses as both a home and a retirement account. For many middle income families, their home is their major financial asset, an asset the family can draw on in retirement. House

prices in major growth markets such as Washington, D.C., New York, or California may start at hundreds of thousands of dollars. As a result, the urban dwellers who have owned their homes through many years of appreciation can often benefit from a large portion of this new $500,000 capital gains tax exclusion. Unfortunately this provision, as currently applied, is virtually useless to family farmers.

For farm families, their farm is their major financial asset. Unfortunately, family farmers under current law receive little or no benefit from the new $500,000 exclusion because the IRS separates the value of their homes from the value of the farmland the homes sit on. As people from my state of North Dakota know, houses out on the farmsteads of rural America are more commonly sold for $5,000 to $40,000. Most farmers plow any profits they make into the whole farm rather than into a house that will hold little or no value when the farm is sold. It's not surprising that the IRS often judges that homes far out in the country have very little value and thus farmers receive much less benefit from this $500,000 exclusion than do their urban and suburban counterparts. As a result, the capital gain exclusion is little or no help to farmers who are being forced out of business. They may immediately face a hefty capital gains tax bill from the IRS.

This is simply wrong, Mr. President. It is unfair. Federal farm policy helped create the hole that many of these farmers find themselves in. Federal tax policy shouldn't dig the hole deeper as they attempt to shovel their way out.

The legislation that I'm introducing today recognizes the unique character and role of our family farmers and their important contributions to our economy. It expands the $500,000 capital gains tax exclusion for sales of principal residences to cover family farmers who sell their farmhouses or surrounding farmland, so long as they are actively engaged in farming prior to the sales. In this way, farmers may get some benefit from a tax break that would otherwise be unavailable to them.

I fully understand that this legislation is not a cure-all for financial hardships that are ailing our farm communities. This legislation is just one of a number of policy initiatives we can use to ease the pain for family farmers as we pursue other initiatives to help turn around the crippled farm economy.

Again, my legislation would expand the $500,000 tax exclusion for principle residences to cover the entire farm. Specifically, the provision will allow a family or individual who has actively engaged in farming prior to the farm sale to exclude the gain from the sale up to the $500,000 maximum.

What does this relief mean to the thousands of farmers who are being forced to sell off the farm due to current economic conditions?

Take, for example, a farmer who is forced to leave today because of crop disease and slumping grain prices and sells his farmstead that his family has operated for decades. If he must report a gain of $10,000 on the sale of farm house, that is all he can exclude under current law. But if, for example, he sold 1000 acres surrounding the farm house for $400,000, and the capital gain was $200,000, he would be subject to $40,000 tax on that gain. Again, my provision excludes from tax the gain on the farmhouse and land up to the $500,000 maximum that is otherwise available to a family on the sale of its residence.

We must wage, on every federal and state policy front, the battle to stem the loss of family farmers. Tax provisions have grown increasingly important as our farm families deal with drought, floods, diseases and price swings.

I believe that Congress should move quickly to pass this legislation and other meaningful measures to help get working capital into the hands of our family farmers in the Great Plains. Let's stop penalizing farmers who are forced out of agriculture. Let's allow farmers to benefit from the same kind of tax exclusion that most homeowners already receive. This is the right thing to do. And it's the fair thing to do.●

By Mr. WELLSTONE:

S. 2389. A bill to strengthen the rights of workers to associate, organize and strike, and for other purposes; to the Committee on Labor and Human Resources.

FAIR LABOR ORGANIZING ACT

● Mr. WELLSTONE. Mr. President, I rise to introduce a bill, the Fair Labor Organizing Act, to strengthen the basic rights of workers freely to associate, organize and to join a union. The bill would address significant shortcomings in the National Labor Relations Act. These shortcomings amount to impediments to one of the most fundamental ways that working people can seek to improve their own and their families' standard of living and quality of life, which is to join, belong to and participate in a union.

Mr. President, in the past few years, working men and women across the country have been fighting and organizing with a new energy. They are fighting for better health care, pensions, a living wage, better education policy and fairer trade policy. They also are fighting and organizing to ensure that they have the opportunity to be represented by a union through which they can collectively bargain with their employers. Much of this organizing is taking place among sectors of the workforce, and among portions of our working population, that have not previously been organized. I think these new efforts are part of what really is a new civil rights and human rights struggle in our country. It is an important and positive historical development. There is probably no clearer indication that the impact of this development is being felt, and that many of these efforts are succeeding, than some of the attacks in the current Congress on unions representing the country's working people.

Why have we seen so many bills with Orwellian titles such as the TEAM Act, which has little to do with employer-employee teamwork and a lot more to do with company-dominated labor organizations? Such as the ''Family Friendly Workplace Act,'' which really isn't family friendly, but would reduce working families' pay and undercut the 40-hour workweek? Such as the so-called SAFE Act, which doesn't promote safety but actually would roll back well-established and necessary OSHA protections?

Why does the majority in Congress seem so desperate to single out unions to suppress their political activities at the same time they maneuver to kill genuine political campaign finance reform?

It is because unions are succeeding. That is a good thing because in my view, when organized labor fights for job security, for dignity, justice and for a fair share of America's prosperity, it is not a struggle merely for their own benefit. The gains of unionized workers on basic bread and butter issues are key to the economic security of all working families.

How can it be that as many as 10,000 Americans lose their jobs each year for supporting union organizing when the National Labor Relations Act already supposedly prohibits the firing of an employee to deny his or her right to freely organize or join a union? If more than four in 10 workers who are not currently in a union say they would join one if they had the opportunity, why aren't there more opportunities? Since we know that union workers earn up to one-third more than non-union workers and are more likely to have pensions and health benefits, why aren't more workers unionized when the new labor movement is correctly focused on organizing?

The answer to these basic questions is this: we need labor law reform. We need to improve the National Labor Relations Act (NLRA).

The Fair Labor Organizing Act would achieve three basic goals. First, it would help employees make fully informed, free decisions about union representation. Second, it would expand the remedies available to wrongfully discharged employees. Third, it would require mediation and arbitration when employers and employees fail to reach a collective bargaining agreement on their own.

It is late in the current Congress. My bill may not receive full consideration or be enacted into law this year. But I believe it is important to set a standard and place a marker. Workers across America are fighting for their rights, and many are finding that the playing field is tilted against them. The NLRA does not fully allow them fair opportunity to speak freely, to associate, organize and join a union, even though

that is its intended purpose. I have walked some picket lines during the past two years. I have joined in solidarity with workers seeking to organize. I have called on employers to bargain in good faith with their employees during disputes. I intend to continue doing so, and I urge colleagues to do the same. At the same time, it is clear to nearly any organizer and to many workers who have sought to join a union that the rules in crucial ways are stacked against them. My bill seeks to address that fact.

First, it is a central tenet of U.S. labor policy that employees should be free to make informed and free decisions about union representation. Yet, union organizers have limited access to employees while employers have unfettered access. Employers have daily contact with employees. They may distribute written materials about unions. They may require employees to attend meetings where they present their views on union representation. They may talk to employees one-on-one about how they view union representation. On the other hand, union organizers are restricted from worksites and even public areas.

If we want people to make independent, informed decisions about whether they should be represented by a union, then we have to give them equal access to both sides of the story. This bill would amend the National Labor Relations Act to provide equal time to labor organizations to provide information about union representation. Equal time. That means that an employer would trigger the equal time provision that this bill would insert into the NLRA by expressing opinions on union representation during work hours or at the worksite. The provision would give a union equal time to use the same media used by the employer to distribute information, and would allow the union access to the worksite to communicate with employees.

The second reform in the bill would toughen penalties for wrongful discharge violations. It would require the National Labor Relations Board to award back pay equal to 3 times the employee's wages when the Board finds that an employee is discharged as a result of an unfair labor practice. It also would allow employees to file civil actions to recover punitive damages when they have been discharged as a result of an unfair labor practice.

Third, the bill would put in place mediation and arbitration procedures to help employers and employees reach mutually agreeable first-contract collective bargaining agreements. It would require mediation if the parties cannot reach agreement on their own after 60 days. Should the parties not reach agreement 30 days after a mediator is selected, then either party could call in the Federal Mediation and Conciliation Service for binding arbitration. I believe that this proposal represents a balanced solution—one that would help both parties reach agreements they can live with. It gives both parties incentive to reach genuine agreement without allowing either side to indefinitely hold the other hostage to unrealistic proposals.

Mr. President, this bill would be a step toward fairness for working families in America. The proposals are not new. I hope my colleagues will support the bill.●

By Mr. DASCHLE:

S. 2391. A bill to authorize and direct the Secretary of Commerce to initiate an investigation under section 702 of the Tariff Act of 1930 of methlyl tertiary butyl ether imported from Saudi Arabia; to the Committee on Finance.

FAIR TRADE IN MTBE ACT OF 1998

Mr. DASCHLE. Mr. President, today I am pleased to introduce legislation designed to combat unfairly traded imports of methyl tertiary butyl ether (MTBE) from Saudi Arabia. MTBE is an oxygenated fuel additive derived from methanol.

Through the wintertime oxygenated fuels program to reduce carbon monoxide pollution and through the reformulated gasoline program to reduce emissions of toxics and ozone-causing chemicals, we have created considerable demand in this nation for oxygenated fuels, such as MTBE, ETBE and ethanol. It has been my hope that this demand could be met with domestically-produced oxygenates, thereby reducing our dependence on foreign imports and expanding economic opportunities at home. Unfortunately, this goal has not been achieved, in large part because of a substantial expansion of subsidized MTBE imports from Saudi Arabia.

Mr. President, I am a supporter of free trade when it is also fair trade. However, there has been a marked surge in MTBE imports from Saudi Arabia in recent years that does not reflect the natural outcome of market-based competition.

These imports appear to be driven by a pattern of government subsidies. Not only is this increasing our dependence on foreign suppliers, but it is unfairly harming domestic oxygenate producers and those who provide the raw materials for these oxygenates, such as America's farmers.

The Saudi government has made no secret of its desire to expand domestic industrial capacity of methyl tertiary butyl ether (MTBE). In particular, several years ago, there were public reports that the Saudi government promised investors a 30% discount relative to world prices on the feedstock raw materials used in the production of MTBE. The feedstock is the major cost component of MTBE production, and the Saudi government decree has apparently translated into a nearly −30% artificial cost advantage to Saudi-based producers and exporters.

Moreover, it appears that this blatant subsidy is in large measure responsible for the increase in Saudi MTBE exports to the United States in recent years. These exports have not only reduced the U.S. market share of American producers of MTBE, ETBE, and ethanol, but also has discouraged new capital investment, thereby depriving American workers, farmers, and investors of a significant share of the economic activity that Congress contemplated when it drafted the oxygenated fuel requirements of the Clean Air Act Amendments of 1990.

Mr. President, I believe it is high time for the United States government to respond to the Saudi government's subsidies. Saudi Arabia is a valued ally; however, our bond of friendship should not be a justification for turning a blind eye to an unfair element of our otherwise mutually beneficial trading relationship.

Because it is not a member of the World Trade Organization nor a party to its Agreement on Subsidies and Countervailing Measures, the Saudi government may not feel constrained by the international trade rules by which we legally are required to abide. This does not mean, however, that we must stand idly by while foreign subsidies undermine an important sector of our economy.

For this reason, my bill would require the Secretary of Commerce to self-initiate an investigation under Section 702 of the Tariff Act of 1930 to determine whether a countervailable subsidy has been provided with respect to Saudi Arabian exports of methyl tertiary butyl ether (MTBE). If the Secretary finds that a subsidy has indeed been provided to Saudi producers, he would be required under the terms of our existing law to impose an import duty in the amount necessary to offset the subsidy. Because Saudi Arabia is not a member of the WTO, there would be no requirement for a demonstration of injury to the domestic industry as a result of the subsidy.

Let's talk for a moment about what is at stake here for American consumers. Last year, I asked the U.S. General Accounting Office (GAO) to assess the impact on U.S. oil imports of the Reformulated Gasoline (RFG) program that was created by Congress in 1991. The GAO found that the U.S. RFG program has already resulted in over 250,000 barrels per day less imported petroleum due to the addition of oxygenates like ethanol, ETBE and MTBE. That means, at an average of $20 spent per barrel of imported oil, we currently save nearly $2 billion per year due to domestically produced oxygenates.

The GAO further found that, if all gasoline in the U.S. were reformulated (compared to the current 35%), the U.S. would import 777,000 fewer barrels of oil per day. That is more than $5.5 billion per year that would not be flowing to foreign oil producers and could be reinvested in the United States.

This is not ''pie-in-the-sky'' theory. Ethanol production and domestically produced MTBE can reduce oil imports

and strengthen our economy. In rural America, for example, new ethanol and ETBE plants will be built, so long as we wise up and create a level playing field against subsidized Saudi competition.

Phase II of the Clean Air Act's reformulated gasoline program (RFG) requires transportation fuels to meet even tougher emissions standards starting in the year 2000. That gasoline market is growing, with demand for ethanol, ETBE and MTBE in 2005 estimated to be 300,000 barrels per day. Unless we act to ensure that American-made oxygenated fuels can compete in American fuels markets, we stand to cede those markets to subsidized Saudi Arabian MTBE.

Mr. President, I am hopeful that my legislation will help level the playing field for American producers of ethanol, ETBE and MTBE and add new economic vitality to their associated communities of workers, farmers, and business owners. I urge my colleagues to give it serious consideration and to enact it as soon as possible so that we may begin the process of bringing fairness back into the realm of international trade in oxygenated fuels.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2391

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 ''Fair Trade in MTBE Act of 1998''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 814 of Public Law 101-549 (commonly referred to as the ''Clean Air Act Amendments of 1990'') expressed the sense of Congress that every effort should be made to purchase and produce American-made reformulated gasoline and other clean fuel products.

(2) Since the passage of the Clean Air Amendments Act of 1990, Saudi Arabia has added substantial industrial capacity for the production of methyl tertiary butyl ether (in this Act referred to as ''MTBE'').

(3) The expansion of Saudi Arabian production capacity has been stimulated by government subsidies, notably in the form of a governmental decree guaranteeing Saudi Arabian MTBE producers a 30 percent discount relative to world prices on feedstock.

(4) The expansion of subsidized Saudi Arabian production has been accompanied by a major increase in Saudi Arabian MTBE exported to the United States.

(5) The subsidized Saudi Arabian MTBE exports have reduced the market share of American producers of MTBE, ETBE, and ethanol, as well as discouraged capital investment by American producers.

(6) Saudi Arabia is not a member of the World Trade Organization and is not subject to the terms and conditions of the Agreement on Subsidies and Countervailing Measures negotiated as part of the Uruguay Round Agreements.

SEC. 3. INITIATION OF COUNTERVAILING DUTY INVESTIGATION.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the administering authority shall initiate an investigation pursuant to title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) to determine if the necessary elements exist for the imposition of a duty under section 701 of such Act with respect to the importation into the United States of MTBE from Saudi Arabia.

(b) ADMINISTERING AUTHORITY.—For purposes of this section, the term ''administering authority'' has the meaning given such term by section 771(1) of the Tariff Act of 1930 (19 U.S.C. 1677(1)).

By Mr. BENNETT (for himself, Mr. DODD, Mr. MOYNIHAN, Mr. KOHL, and Mr. ROBB) (by request):

S. 2392. A bill to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000; to the Committee on the Judiciary.

YEAR 2000 INFORMATION DISCLOSURE ACT

● Mr. BENNETT. Mr. President, today I introduce, by request of President Bill Clinton, the Administration's ''Good Samaritan'' legislation referred to as the ''Year 2000 Information Disclosure Act''.

I want to thank the White House for joining Vice Chairman DODD and the rest of the members of the Special Committee on the Year 2000 Technology Problem in the debate on how to promote the flow of information on Year 2000 readiness throughout the private sector. The Administration's recognition of this problem, the fear of law suits and its stifling effect on companies' willingness to disclose helpful Y2K information, is invaluable in helping all of us deal with this national crisis.

The existing legal framework clearly discourages the sharing of critical information between private sector companies. The President's bill attempts to limit the legal liability of corporations and other organizations who in good faith openly share information about computer and technology processing problems and related matters in connection with the transition to the Year 2000. We welcome the thoughtful ideas of the White House and the hard work of the Office of Management and Budget, as well John Koskinen, the Chairman of the President's Council on Year 2000 Conversion.

President Clinton's proposal represents a good starting point from which to begin the process of addressing the critical need for private sector information sharing announced in his speech before the National Sciences Foundation on Tuesday, July 14.

The Senate Special Committee on the Year 2000 Technology Problem, which I chair, has to date held hearings on Year 2000 problems in several industry sectors including energy utilities, financial institutions, and health care. This Friday, July 31, the Committee will hold its fourth hearing the subject of which will be the telecommunications industry. In each of the prior hearings, it has become increasingly evident that the fear of legal liability has proven to be the single biggest deterrent to the open sharing of Year 2000 information. With just over 500 days remaining before the Year 2000 problem manifests itself in full, we must do everything we can to encourage the sharing of vital Year 2000 information. Through this sharing, organizations can save valuable time and resources in addressing their Year 2000 problems.

But, we must be careful to pass meaningful legislation that will indeed encourage disclosure and sharing of Year 2000 information. For example, small companies which cannot afford to do all of their own testing and who, for the most part, are not as knowledgeable about where the dangers of the Y2K bug may appear are significant elements of our economy and their Y2K failures could have devastating impacts on those who depend on their services.

We look forward to hearing the input of those companies and individuals who are affected both as plaintiffs and defendants. To be of value, we must pass legislation this year. To that end, we will be working closely with the administration, and with Senators HATCH and LEAHY of the Judiciary Committee which has the primary jurisdiction for this legislation.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join with Senators ROBERT F. BENNETT (R–UT) and CHRISTOPHER DODD (D–CT) today as original cosponsors of President Clinton's ''Year 2000 (Y2K) Information Disclosure Act.'' This legislation is intended to promote the open sharing of information about Y2K solutions by protecting those who share information in good faith from liability claims based on exchanges of information. As the President stated in his speech at the National Academy of Sciences on July 14, 1998, the purpose of this legislation is to ''guarantee that businesses which share information about their readiness with the public or with each other, and do it honestly and carefully, cannot be held liable for the exchange of that information if it turns out to be inaccurate.''

The open sharing of information on the Y2K problem will play a significant role in preparing the nation and the world for the millennial malady. I urge the prompt and favorable consideration of this legislation. There is no time to waste.●

● Mr. DODD. Mr. President, today I join with Senator ROBERT BENNETT, the chairman of the Senate Special Committee on the Year 2000 Technology Problem, to introduce, at the request of the President of the United States, ''The Year 2000 Information Disclosure Act.'' We are joined in this introduction by Senators MOYNIHAN, KOHL, and ROBB.

It should be clear to even the most disinterested observer that we are facing a serious economic challenge in

form of the Year 2000 computer problem. There is little doubt that the millennium conversion will have a significant impact on the economy; the outstanding question is how large that impact will be.

One of the most relevant factors in assessing the potential impact of this problem is the expected readiness of small and medium sized businesses to deal with this issue. Many of the nation's largest corporations are spending hundreds of millions of dollars to prepare for Year 2000 conversion: Citibank is spending $600 million, Aetna is spending more than $125 million, and the list goes on and on. However, it is not so clear that small and medium sized businesses are approaching the problem with similar vigor.

As a result, it is my opinion that it will become increasingly necessary for those companies that have successfully completed remediation and are now testing to able to share those results with other companies that might not be as far along. It will be an increasing national economic priority to use all the tools available to help businesses and government entities meet the millennium deadline, and encouraging the sharing of information that can cut precious weeks off the time it takes to get ready will be essential.

I agree with the statements of President Clinton that companies that make such voluntary disclosures should not be punished for those disclosures with frivolous or abusive lawsuits. It is to address that concern that the President has requested that Senator BENNETT and I introduce his legislation.

I also agree with the President's analysis that in order for this information-sharing to be effective, it must start to take place as soon as possible. Sharing information about non-compliant systems six, eight, or twelve months from now will be of limited value to all concerned.

Some questions have emerged in the press as to the scope of this legislation. The fact is that there are very few weeks left in this session, and therefore the broader the bill, the more difficult it will be to pass. Therefore, if we are intent on providing protection for voluntary disclosures on Year 2000, it will be very hard to add to that provisions dealing with other aspects of Year 2000 liability. While I believe that concerns on underlying liability are real and meaningful, there is little question that dealing with any liability issues is always a controversial and lengthy process. So as we move forward with the concept of a safe harbor for voluntary disclosure, I hope that we can do so without encumbering that legislation with these larger and contentious issues regarding liability.

President Clinton has given us an excellent starting point for discussing these important issues. I look forward to working with all my colleagues in the weeks remaining to craft final legislation that addresses these issues in a meaningful and constructive manner.●

ADDITIONAL COSPONSORS

S. 230

At the request of Mr. FAIRCLOTH, his name was added as a cosponsor of S. 230, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 657

At the request of Mr. DASCHLE, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 657, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive military retired pay concurrently with veterans' disability compensation.

S. 1360

At the request of Mr. ABRAHAM, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1360, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to clarify and improve the requirements for the development of an automated entry-exit control system, to enhance land border control and enforcement, and for other purposes.

S. 1459

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1459, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for producing electricity from wind and closed-loop biomass.

S. 1759

At the request of Mr. HATCH, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 1759, a bill to grant a Federal charter to the American GI Forum of the United States.

S. 1877

At the request of Mr. WYDEN, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1877, a bill to remove barriers to the provision of affordable housing for all Americans.

S. 1905

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 1905, a bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes.

S. 1959

At the request of Mr. COVERDELL, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 1959, a bill to prohibit the expenditure of Federal funds to provide or support programs to provide individuals with hypodermic needles or syringes for the use of illegal drugs.

S. 1960

At the request of Mr. WARNER, the names of the Senator from Mississippi (Mr. LOTT), the Senator from Mississippi (Mr. COCHRAN), the Senator from Washington (Mrs. MURRAY), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Delaware (Mr. ROTH), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1960, a bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield, as previously authorized by law, by purchase or exchange as well as by donation.

S. 2061

At the request of Mr. GRAHAM, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. 2061, a bill to amend title XIX of the Social Security Act to prohibit transfers or discharges of residents of nursing facilities.

S. 2071

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 2071, a bill to extend a quarterly financial report program administered by the Secretary of Commerce.

S. 2086

At the request of Mr. WARNER, the names of the Senator from Florida (Mr. GRAHAM), the Senator from Mississippi (Mr. LOTT), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Delaware (Mr. ROTH), the Senator from North Carolina (Mr. HELMS), and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 2086, a bill to revise the boundaries of the George Washington Birthplace National Monument.

S. 2161

At the request of Mr. THOMPSON, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 2161, a bill to provide Government-wide accounting of regulatory costs and benefits, and for other purposes.

S. 2213

At the request of Mr. FRIST, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2213, a bill to allow all States to participate in activities under the Education Flexibility Partnership Demonstration Act.

S. 2217

At the request of Mr. FAIRCLOTH, his name was added as a cosponsor of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2233

At the request of Mr. HATCH, the names of the Senator from Alaska (Mr. MURKOWSKI), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2295

At the request of Mr. MCCAIN, the names of the Senator from Missouri (Mr. BOND), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 2295, a bill to amend