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DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2001—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the conference report to accompany H.R. 4577, which the clerk will report.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4577) ''making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes'', having met, have agreed: that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same; that the House agree to the title of the bill, with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

(The conference report is printed in the House proceedings of the RECORD of today, December 15, 2000.)

Mr. STEVENS. Mr. President, the fiscal year 2001 Labor/HHS Appropriations Conference Report is now before the Senate.

This conference report serves to wrap up work on all fiscal year 2001 appropriations bills, as it includes the Treasury-General Government and legislative branch bills. Those two bills were previously passed by the Congress, but were vetoed by the President.

The only significant change to the bills previously passed by Congress is the deletion of the telephone tax provision in the Treasury bill. The conference report includes other appropriations matters, which emerged subsequent to the completion of the other fiscal year 2001 bills.

Significant items include $150 million for repair of the U.S.S. *Cole*, $100 million for intelligence activities requested by the White House, $110 million for the new markets initiative, $100 million for volunteer firefighter grants sought by our colleague from Delaware, Senator ROTH, and $100 million for the Library of Congress to enhance the National Digital Library.

I want to also thank all my colleagues for their patience as I worked with the White House for a compromise on the Alaskan Fishery/Sea Lion protection issue. Through the hard work of many here in Congress and at the White House, OMB and the Department of Commerce, we achieved a compromise that meets the priorities of all parties—who share the goal of protecting the sea lion population, and the economic well being and viability of the commercial fishing industry in my State.

There are many specific issues that I could comment on today, but I had the opportunity to brief members of this side of the aisle at a conference this afternoon, and the bill is available in the Cloakroom for review.

I urge all my colleagues to support this conference report, which completes the work of this Congress, during this Congress. Next month, when the 107th Congress convenes, and a new President is inaugurated, they will both start with no carryover from this Congress.

Mr. BYRD. Mr. President, as has been the case on far too many occasions in the past number of years, the Senate finds itself today in the position of having to deal with a massive omnibus appropriations bill. We have had to pass a record number—21—of Continuing Resolutions in order to keep the Federal Government operating since the fiscal year began on October 1st. These Continuing Resolutions were necessary because we in the Congress and the Administration could not resolve our differences on a myriad of issues, most of which have not involved funding levels at all. Rather, the haggling for the past many weeks has been over issues such as ergonomics regulations, immigration, and certain regulatory matters; all of which would be more appropriately handled by the authorizing committees with jurisdiction over them. Instead of following the established practices and the regular

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

order of enacting the thirteen annual appropriations bills, we have in recent years, chosen to delay appropriations bills until it is too late to do anything other than to package them in a manner that causes such packages to be used as vehicles for all manner of non-appropriations issues. This has necessitated the adoption of late-year omnibus appropriations packages well after the start of the fiscal year, such as the one before the Senate today. This is a practice that should never have been started and which, if not discontinued, I fear will gravely diminish the Senate as an institution. Senators are being denied the right to debate and amend appropriations bills, all of which contain billions of taxpayer dollars, and literally thousands of funding issues affecting their constituents. Instead, we are being presented with unamendable omnibus appropriations packages, which contain many, many matters that have not had any Senate consideration at all. In the next Congress, the 107th Congress, we should strive mightily, on a bipartisan basis, to return to regular order in taking up each of the thirteen annual appropriations bills. The Appropriations Committee has marked up each of the thirteen appropriations bills in a timely manner every year under our distinguished Chairman, Senator STEVENS. He is indeed masterful in his handling of appropriations matters and he is very knowledgeable on the issues that come before the Appropriations Committee. He is also one who leads the Committee in a bipartisan manner at all times. He gives the same consideration to requests of Members of the Committee on both sides of the aisle, and I am honored to serve as Ranking Member of the Committee under his chairmanship. It has not been the fault of TED STEVENS that the appropriations bills have, too often, been lumped together into omnibus packages, such as the one before the Senate.

In an effort to facilitate a return to the regular order in the Senate's handling of the thirteen annual appropriations bills, I was pleased to have the support of both Leaders, Mr. DASCHLE and Mr. LOTT, in my amendment to the Commerce/Justice/State Appropriations bill for Fiscal Year 2001 to restore Senate Rule XXVIII, Paragraph 2. That provision makes it out of order for extraneous matters to be included in conference reports. Several years ago, in connection with the Senate's consideration of an FAA conference report, the Senate voted to overturn the Chair when it ruled that there was extraneous matter in that conference report. The effect of that vote to overturn the Chair was to negate Rule XXVIII, Paragraph 2. Consequently, it has not been out of order for any matter to be inserted in any conference report since that time. Upon enactment of the Commerce/Justice/State Appropriations bill, and as a result of my amendment thereto,

Rule XXVIII, Paragraph 2 will be restored. This will mean that in the 107th Congress, it will not be in order for extraneous matters to be placed in a conference report. Upon a point of order's being made in that regard, if sustained, such a conference report will be rejected. I believe that restoration of this rule will go a long way toward eliminating these annual omnibus appropriations measures that the Senate has had to deal with in the past several years and is again being asked to adopt here today.

Having said that, Mr. President, I shall vote for the pending conference report. It contains the Fiscal Year 2001 appropriations bills for the Departments of Labor, Health and Human Services, and Education, for the Department of the Treasury and General Government, and for the Legislative Branch. By far, the largest of these appropriations bills is the Labor/HHS Appropriations bill.

In the agreement reached on the Labor/HHS bill, the funding totals some $108.9 billion in budget authority for Fiscal Year 2001. This is an increase of almost $12 billion from last year and represents the largest ever one-year increase for the Labor/HHS Appropriations bill. This amounts to more than a 12 percent increase above last year's level, and will enable funding levels for education to be increased by almost 15 percent, including an appropriation of more than $1 billion for a new school renovation program. The Labor/HHS Appropriations bill also includes critical funding for many health programs such as the Ryan White AIDS program, NIH, child immunization, substance abuse prevention, and mental health programs. All of these programs are funded at levels substantially higher than last year. As Members are aware, the bill also funds the Head Start program, and the low income home energy assistance program, LIHEAP. I recognize that a number of Senators believe that we should have insisted upon even higher levels for the Labor/HHS bill. While I might agree with those Senators, and although a tentative agreement in October would have funded the Labor/HHS Appropriations bill at a level of over $112 billion, that agreement fell through over a legislative rider involving ergonomics.

After weeks of haggling over the ergonomics issue, as well as other issues such as immigration, and overall funding levels, I feel that we have no other choice than to accept this compromise that is before the Senate today. As I say, it does not fully please any Senator. I am sure there are some who feel that the funding levels are too high; but the time has long since passed for us to complete our work and get this final appropriations package to the President's desk.

In addition to the Labor/HHS Appropriations bill, this package contains funding for the Legislative Branch, and the Department of the Treasury and General Government, which measure funds a number of programs for law enforcement, as well as the U.S. Customs Service—the federal agency with responsibility for border patrol and enforcement of our immigration laws.

There is also a division of this omnibus package that includes a number of non-appropriations matters. Those matters were considered carefully by Chairman STEVENS, Chairman YOUNG, Mr. OBEY and myself, at the request of Members of the House and Senate. There were many more such matters that were considered, but were not included in this final package.

Finally, the package contains a division relating to tax matters, including the so-called Balanced Budget Act, BBA, Medicare fix. Those tax matters were inserted into the omnibus package by the Leadership, and they fall into the jurisdiction of the Ways and Means and Finance Committees. Accordingly, we Appropriations Members were not involved in that process.

In conclusion, Mr. President, I urge my colleagues to vote for this conference agreement. Despite its having all the flaws that we have seen in previous omnibus appropriations bills, the time has come to finish the work of the 106th Congress. In that way, we will have a clean slate for the new Congress, the 107th Congress, when it convenes on January 3rd, and for the new Administration, when our new President, George W. Bush, is sworn into office on January 20th.

While I recognize that there are those who predict a continuation of the gridlock that we have seen in the recent past, or perhaps greater gridlock in the next Congress, as it struggles to work with the Bush Administration; I hope and believe that there will be unprecedented opportunities for bipartisan efforts to prevail in solving the Nation's most pressing problems; to maintain a vital national defense, and to find solutions which ensure that our Medicare and Social Security programs can sustain the promised for our citizens over the coming century. I am optimistic that the new Congress will be prepared to work with the Bush Administration. I know that the overwhelming number of Members of the House and Senate, on a bipartisan basis, join me in pledging our best efforts to do so, and our good faith commitment to achieve results in these critical areas, on behalf of the American people.

Mr. STEVENS. Mr. President, after protracted negotiations, the Administration and I have reached an agreement that provides the necessary protections for the Steller sea lion while allowing for the needs of fishermen who depend on the robust and healthy groundfish stocks off Alaska. I believe the Senate knows my personal feelings, and the feelings of practically all those who are involved in the harvesting, processing, and subsequent marketing of the millions of tons of seafood that come from the North Pacific and Bering Sea, on this matter. While we recognize that the Steller sea lion deserves protection, we are not convinced

that the Commerce Department has proven, let alone adequately tested, its hypothesis that fishing contributes to the sea lions' decline. A few minutes spent skimming the biological opinion reveals the lack of science underlying the proposed actions it contains. For example, the Commerce Department states in its biological opinion that it does not know if fishing impacts sea lions, or that sea lions would likely continue to decline even if all fishing were halted.

Nonetheless, the lives of our fishermen will continue to be affected by this opinion. Our agreement provides a three-step phase-in process for fishery restrictions proposed to be implemented by the National Marine Fisheries Service (NMFS) in the Alaska groundfish fisheries under Endangered Species Act (ESA) requirements. This section is intended to lessen the negative economic consequences to the fishing community caused by the restrictions and to ensure that any Steller sea lion protective measures do not create negative consequences for the conservation of the fisheries and ecosystem. This is accomplished by requiring the Secretary to rely on the fishery management provisions in the Magnuson-Stevens Act, including the regional council processes, when implementing reasonable and prudent alternatives under the Endangered Species Act.

Unfortunately, work on this provision was not completed until shortly before the conference agreement was filed on the final day of this session. I ask unanimous consent that the section-by-section analysis of this provision be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS

Subsection (a) includes findings by Congress concerning the decline of the Steller sea lion and need for scientists to study the relationship between commercial fisheries and sea lions. It also includes findings confirming that the authority to manage federal fisheries lies with the regional councils created under the Magnuson-Stevens Act. It clarifies that the Secretary is required to comply with, and use the procedures established under, the Magnuson-Stevens Act when implementing measures to comply with the Endangered Species Act. This finding recognizes that the Administration should not use the Endangered Species Act to implement fishery management measures without respect to the Magnuson-Stevens Act, particularly the processes by which the councils develop, review, and promulgate fishery management measures. The appropriate forum to develop fishery management measures, including those measures necessary to protect threatened and endangered species, are the regional councils.

Subsection (b) requires the North Pacific Fishery Management Council to conduct an independent scientific review of the November 30, 2000 biological opinion (hereafter the ''Opinion'') issued by NMFS for the Bering Sea/Aleutian Islands and Gulf of Alaska groundfish fisheries, drawing upon the expertise of the National Academy of Sciences. This subsection reflects the Congress's deep concerns over the validity and objectivity of the science relied on in the biological opinion and the process by which the Commerce Department developed this opinion. It directs the Secretary of Commerce to cooperate with the North Pacific Council's scientific review, and requests the National Academy of Sciences to give the review its highest priority.

Subsection (c)(1) directs the Secretary to submit proposed Magnuson-Stevens Act fishery conservation and management measures to implement the reasonable and prudent alternatives (RPAs) to the North Pacific Council immediately or as soon as possible, and then tasks the Council with preparing a fishery management amendment or amendments under the Magnuson-Stevens Act to implement such conservation and management measures. While the amendments must implement the measures necessary to protect sea lions and, it is equally important that such measures provide for the conservation and safe conduct of the fisheries, as required in the Magnuson-Stevens Act. Congress remains concerned that the proposed closures would have forced small vessels to fish in dangerous waters during the winter storm season, a prospect specifically commented upon by our Coast Guard.

Subsection (c)(2) requires the RPAs, as developed by the North Pacific Council under subsection (c)(1), to become effective on January 1, 2002. To address Congress' concerns about the objectivity and validity of the scientific conclusions of this opinion the opinion must incorporate changes warranted by the scientific review required under subsection (b) or other new information that comes to the Secretary or Council's attention. The Council and Secretary are directed to jointly develop a schedule for the development of FMP amendment or amendments to implement the RPAs beginning in the 2002 fisheries. Subsection (c)(2) specifies that the RPAs shall not go into effect immediately, but shall be phased in according to subsection (c)(3) during the 2001 fisheries.

Subsection (c)(3) requires the 2001 Bering Sea/Aleutian Island and Gulf of Alaska groundfish fisheries to be managed in accordance with the regulations promulgated for the 2000 fisheries prior to the issuance of the July 19, 2000 court injunction in those fisheries (which has since been lifted). The 2000 regulations provide substantial protections for Steller sea lions, while maintaining the comprehensive and proven framework that has protected the marine resources of the North Pacific and been fine-tuned for more than two decades. These regulations for the first months of the 2001 fisheries are to be implemented by emergency rule so that the fisheries can begin by January 20, 2001.

Subsection (c)(4) requires the Secretary of Commerce to amend regulations based on the 2000 regulations, but which are consistent to the extent practicable with the RPA's, by January 20, 2001. The Secretary is to consult with the North Pacific Council in preparing these draft regulations, with the goal of incorporating some of the protective concepts in the RPAs for these regulations, in time for the fisheries to open no later than January 20, 2001. Under paragraph (7) of subsection (c), the draft regulations amended upon the recommendation of the North Pacific Council until March 15, 2001. As soon after March 15, 2001 as possible, the Secretary of Commerce will publish and implement the regulations, and these regulations shall then govern the Bering Sea/Aleutian Island and Gulf of Alaska fisheries for the remainder of 2001, consistent with all the requirements of the Magnuson-Stevens Act. It is our intent that the Secretary provide ample opportunity for the public to comment on these regulations before the regulations take effect.

Subsection (c)(5) requires that the ''Global Control Rule'' from the RPA's take effect immediately in the fisheries, this is particularly important during the period during the Spring and/or early summer of 2001 when the fisheries are being managed under the 2000 regulations. Paragraph (5) modifies the Global Control Rule during 2001 to limit any reduction to not more than ten percent of the total allowable catch in any of the fisheries.

Subsection (c)(6) provides the North Pacific Council with the authority to recommend, and the Secretary of Commerce with the authority to approve, modifications to the RPAs contained in the regulations that will take effect in the Spring or early-summer of the 2001 fisheries. These modifications may include the opening of additional designated Steller sea lion critical habitat for fishing by small boats, the postponement of seasonal catch levels inside critical habitat for small boats, or other measures to ensure that small boat fishermen and on-shore processors in Alaska are not adversely affected during 2001 as compared to the fisheries before the July 19, 2000 injunction. This was specifically agreed to by both the Congressional and Administration negotiators to allow coastal Alaskan fishermen to fish in the safer waters closer to shore.

Subsection (d) appropriates $20 million to the Secretary of Commerce to develop and implement a comprehensive research and recovery program for the Steller sea lion, and to study the myriad of factors which may be causing the decline of the Steller sea lion. Subsection (d) specifically requires that the theories of nutritional stress, localized depletion, and food competition with the fisheries be tested to determine their validity. This subsection also directs the Secretary of Commerce to implement non-lethal measures on a pilot basis to protect Steller sea lions from marine mammal predation, including killer whales, and to determine the extent to which predation may be causing the decline or preventing recovery. The Secretary is strongly encouraged to cooperate with the Alaska SeaLife Center, the North Pacific Universities Marine Mammal Consortium, the University of Alaska, and the North Pacific Council in the development and use of these funds. The Alaska SeaLife Center should receive $5,000,000 of these funds to continue their important work on Steller sea lion science.

Subsection (e) provides $30 million as a direct payment to the Southwest Alaska Municipal Conference to distribute to the fishing communities, businesses, western Alaska community development quota program groups, individuals, and other entities that have been hurt by the economic losses already inflicted as a result of Steller sea lion restrictions. The President of SWAMC is required to submit a written report to the Secretary of Commerce and the U.S. Senate and House appropriations committees within six months after receiving the funds to indicate how they have been distributed.

Mr. BYRD. Mr. President, in these waning days and hours of the 106th Congress, the focus in Washington is naturally on what action is taking place to resolve the remaining fiscal year 2001 appropriations bills and concluding the business of this Congress. However, all around us, life goes on. Our constituents in the steel industry must be among the few in America who will not be happy to see the 106th Congress adjourn sine die. Our constituents in the steel industry will see Congress's adjournment as a thinning of the bucket brigade that has spent the last two years trying to bail out an

industry being flooded by cheap, illegally dumped steel. These people, our constituents from Weirton and Wheeling, West Virginia, from Pennsylvania, Illinois, Alabama, Maryland, Utah—their arms are tired, their voices hoarse from the effort of keeping their heads above water and shouting for help. As we look forward to adjournment, they are continuing to face a flood whose undertow threatens to pull them under. Today, as a result of this continuing crisis in steel, imports make up almost 40 percent of the U.S. market, compared to a historical rate of approximately 18 percent.

Congress has tried to respond. Members have supported individual companies and groups in filing trade cases with the Administration, attempting to use our anti-dumping and countervailing duty laws as they were intended, to thwart illegal actions by foreign competitors. Members of Congress, myself included, have introduced, supported, and fought for passage of legislation to help this core American industry. But the flood of illegally dumped steel continues, fed by the Asian economic crisis, the failure of the Russian economy, and foreign competitors seeking to gain a competitive edge with the help of illegal government subsidies. When one trade case is filed with regard to one type of steel, these competitors switch to another type of steel, forcing affected U.S. companies to bear the cost of their sales losses combined with the cost and time of collecting data and building their legal cases. The overall effect is to grind small companies down to the verge of collapse.

In 1977, there were 16,961 steelworkers on the payroll in West Virginia. In March 2000, there were just 6,857, a loss of 10,104 good-paying jobs. That's a 60 percent loss. So you understand why I am concerned. The national picture is no brighter. In 1980, there were 1,142,000 workers nationwide in the primary metals industry, which includes steel. As of September 2000, that total employment number had dropped to just 692,000, a drop of approximately 39 percent.

In the last two years, thousands of steelworkers have been laid off, some for considerable periods. Six steel companies have declared bankruptcy since 1998. But total steel imports in 2000 will be over 2½ times higher than in 1991. Total steel imports through August 2000 are 17 percent higher than over the same period in 1999 and are greater even than imports over the same period in 1998, a record year. At the same time, steel prices continue to be depressed, with hot-rolled steel prices 12 percent lower in August 2000 than in the first quarter of 1998, and average import customs values for all steel products more than 15 percent lower over the same period.

Is this how we want to end an era of American history? Do we want to watch the linchpin of the American industrial revolution—our steel industry—be felled by government subsidized foreign competition, aided and abetted by indifferent application of the very trade laws implemented to protect American companies and American workers from illegal competition? I certainly hope not. When our crippled Aegis destroyer, the ill-fated U.S.S. *Cole*, is brought home for repairs, I would like American steel to bind up those wounds. I don't want to be dependent on foreign sources of steel for critical national defense needs. During World War II, I was a welder, helping to build the ships that supported our forces in that war. Today, I am a legislator, and I want to help the industry that supports our forces in war and in other critical missions.

I had prepared a resolution, cosponsored by Senators SPECTER, ROCKEFELLER, ABRAHAM, BAUCUS, BAYH, DEWINE, DURBIN, HOLLINGS, KOHL, LEVIN, LINCOLN, LUGAR, MIKULSKI, SANTORUM, SARBANES, SCHUMER, SESSIONS, SHELBY, THURMOND, VOINOVICH, and WELLSTONE, that would be a Senate companion to H. Res. 635. H. Res. 635 was introduced on October 18, and currently has 237 cosponsors. This resolution would call upon the President to take all appropriate action within his power to provide relief to the steel industry injured by these unfair actions of our trading partners. It would request an immediate and expedited U.S. International Trade Commission investigation for positive adjustment under Section 201 of the Trade Act of 1974. I am pleased that my resolution was, instead, accepted and included in the conference report to accompany the Labor/HHS appropriations bill.

This action by the Administration is necessary. We need a broad-based, comprehensive approach to dealing with this crisis in the domestic steel industry. Fighting this war one skirmish at a time, on one product type at a time by one company at a time, is simply and slowly bleeding our steel companies dry. We cannot let them continue to pick our steel companies off one at a time. We need to put the full weight of our attention and our resources on dealing comprehensively with this matter. We need to be vigilant across all fronts, and we need to develop longer strategic vision if we are to preserve this vital domestic industry.

We need a level playing field. I have no doubt that American steel companies can compete on a level playing field. But they cannot compete against steel that is priced at or below the cost of production by foreign companies subsidized by governments who seek not only to preserve their own steel production capacity, but to profit by gaining U.S. market share and putting our companies into bankruptcy. I am, unfortunately, confident that the International Trade Commission's investigation will find that the steel crisis of 1998 is far from over. In fact, steel imports are on track to match or possibly exceed the record figures of 1998. So, sadly, our domestic steel producers should have no problem meeting the stringent standards of proof required under section 201 of the Trade Act of 1974 to prove that an injury has or can be expected to occur.

I commend the many Members of the Senate who join me in calling for this action to be taken, for standing up for steel and the men and women and families who depend on steel jobs. I also commend the Senate for including this provision in this bill. I urge the Administration to proceed immediately to initiate a Section 201 investigation of steel dumping. It is urgently needed.

Mr. MCCAIN. Mr. President, 70 days and 20 continuing resolutions after what was supposed to be our October 6 adjournment date, the 106th Congress is coming to an end. Let us hope the upcoming New Year brings with it a renewed spirit of bipartisan cooperation.

This year, such cooperation took a back seat to partisan bickering and ill-advised parliamentary tactics that had the effect of further polarizing this body. How many mornings did Americans awake to newspaper headlines reporting that Congress and the president still, weeks and months after we were to adjourn, had not finished their work?

There are many good provisions in the legislation soon to be sent to the President and I want to thank all those who put in long hours to bring this Congress to a close. I am particularly supportive of the Medicare changes that will strengthen the quality of health care for our seniors.

In 1997, Congress made some difficult, but necessary, changes in the financial structure of the Medicare system as part of the Balanced Budget Act. These changes were needed to preserve and protect the system and delay its impending bankruptcy from 2001 until 2015, while also increasing choice and expanding benefits for beneficiaries.

Despite the changes, there has been increasing concern that certain reimbursement reductions and caps contained in the Budget Act are resulting in access problems for our seniors. Personally, I have grown concerned about the potentially negative impact on the delivery of health care in our rural communities and for our most frail elderly if we do not make certain adjustments.

I am also pleased this legislation addresses many of the concerns raised by my constituents and the Arizona health care community. This proposal improves senior health care by increasing access to critical preventative benefits—including bi-annual pap smear screenings and pelvic exams, glaucoma screenings, colon cancer screening, and medical nutrition therapy for patients with diabetes and renal disease. Rural hospitals are strengthened by updating reimbursement policies and increasing access for seniors to emergency and ambulatory services in rural areas. And this legislation significantly lowers co-payments for out-patient hospital visits.

I am also pleased that Native Americans will not be overlooked in this legislative package, but instead will receive an economic boost through equitable treatment of tribal governments for unemployment tax purposes, a change to the tax law that I have been advocating for nearly a decade. An important stimulus to economic development in Indian country is to provide employment tax credits and incentives, including unemployment compensation benefits. This change to the Federal Unemployment Tax Act, FUTA, will correct an uneven interpretation in the tax law by finally including tribal employees in the Nation's comprehensive unemployment benefit system.

Unfortunately, I must oppose this legislation for a variety of reason. Once again, I must object to the pork barrel spending in this year-end legislative package and in all of the appropriations bills that have become law. Regrettably, the process that got us to this point led to what a New York Times headline aptly characterized as ''The Politics of the Surplus.'' In other words, we paved our way home by spending billions of taxpayers' dollars on budget items that never went through a merit-based review process.

In the run-up to this final agreement, over $24 billion in pork barrel spending (a list of this spending may be found on my Senate Web site) was doled out and that figure will surely climb once we get a good look at the bills before us. Mr. President, our appetite for pork barrel spending was so large this year, in fact, that NBC News highlighted our feast on their Nightly News segment, ''The Fleecing of America.''

Who among us will ever forget the 1.5 million taxpayer dollars we have already approved to restore ''a 56-foot iron rendition of the Roman god of fire and metalworking, Vulcan''?

Or the $1.5 million for sunflower research?

Or the $400,000 for the Southside Sportsman Club?

Or the $250,000 to develop improved varieties of potatoes''?

Or the $100,000 for the ''Trees Forever Program''?

Or the $176,000 for the Reindeer Herders Association?

Or Or the $5 million for insect rearing?

But, there is more to come in this year-end budget deal, which has at least $1.9 billion in pork. For instance, in the Conference Report for the Commerce, State, and Justice Appropriations bill, some examples of earmarks having never undergone the appropriate merit-review process include: $3 million for Red Snapper research, $1 million for Hawaiian coral reef monitoring, $500,000 for the California Ozone study, $200,000 for the Kotzebue Sound test fishery for king crab and sea snail, $600,000 for fall chinook rearing for the Columbia River hatcheries program, $750,000 for bottle-nosed dolphins, $3,338,000 for sea turtles, $1 million for winter pollack survey in Alaska, $1 million for the implementation of the National Height Modernization, NHM, system in North Carolina, $300,000 for research on the Charleston bump, and $150,000 for lobster sampling.

The pork barrel spending adds up. Look at the numbers.

Last spring, Republicans outlined our spending plans calling for about $600 billion in so-called discretionary spending—that is, spending on programs other than Social Security, Medicare, and interest on our $5.7 trillion debt. The President's budget requested about $623 billion in discretionary spending. We'll end up spending in the neighborhood of $650 billion—some $100 billion over the discretionary spending caps set by the 1997 Balanced Budget Act.

According to Robert Reischauer, former head of the Congressional Budget Office, this will be the third year in a row in which the budget, excluding Social Security, ''has been in surplus.'' The last time this happened, Reischauer says, was over 70 years ago. This is why I believe, Mr. President, we should take advantage of our robust economy and make significantly paying down our national debt one of our top priorities.

I must also once again express my disappointment over the narrow scope of the immigration provisions contained in this bill. I support the Latino and Immigrant Fairness Act, LIFA. Negotiations between the White House and the leadership, which endorsed more limited immigration reform, have resulted in a compromise that makes progress but falls far short of the Fairness provisions we never had a chance to vote on.

In particular, this bill makes meaningful but insufficient progress on amnesty for those wrongly denied it, and does not address legitimate concerns about Central American refugee parity. Fortunately, negotiators have agreed to temporarily restore Section 245(i), which allows immigrants with family or employer sponsors to adjust their status in the United States, rather than return to their countries of origin and face the threat of 10 years of separation from family and work in the United States before returning. This bill also contains important provisions encouraging family unification through the creation of several new visa categories. That said, it will fall to supporters of the Latino and Immigrant Fairness Act in the 107th Congress to advance that bill's intent to allow long-term residents who have developed deep roots in our country and contributed to our economy for many years to remain legally, and to establish parity for Central American and other refugees not afforded the same status as refugees from other, similarly troubled countries. I am sorry we could not have better addressed these concerns in this bill, but I appreciate the progress we are making and hope that we can take up these issues during the 107th Congress.

I remain optimistic, Mr. President, that we will be able to work together in the 107th Congress to accomplish great things.

We all should be proud of the recent election. Obviously, it wasn't perfect. Democracy never is. Yet, major issues important to all Americans were discussed and debated. In fact, a post-election survey by Pew Charitable Trusts found that a high percentage of voters believed there was ''more discussion of issues than four years ago.'' And 83 percent of voters said they learned enough ''to make an informed choice.''

No doubt voters have different opinions on how we should deal with these issues. But, they did not disagree on which issues need to be tackled by Congress and our President.

In national pre-election polls, Americans consistently ranked Social Security, health care, and education among the issues they worry most about. But they also know that little gets done because too much special-interest money is infecting our political process, resulting in the kind of gridlock we have witnessed over the last year. A Newsweek poll found nearly 60 percent of Americans agreeing with the statement that political contributions have ''too much influence on elections and government policy.'' Only ten percent disagreed.

The way we do business must change.

If we have the will, we can begin to repair Americans' cynical perception of our government by working together, in bipartisan fashion, on campaign finance reform, a real Patient's Bill of Rights, Social Security reform, and badly needed reform of the tax system.

We must also do our work in the open with due process and appropriate discussion.

This is why, I must also object to a provision inserted by Senator INOUYE, who has once again gone to great lengths to provide protectionist legislation to the lone U.S. operator of large cruise ships in Hawaii. In the 106th's closing hours, the Senator has had a legislative provision inserted in the final appropriations measure that will prohibit any cruise ship operator from allowing gaming on board any vessel that departs from and returns to Hawaii. This provides American Classic Voyages with the protection they need to keep other cruise operators who depend on gaming to attract passengers and provide an additional revenue stream from entering the Hawaii market and prohibit other vessels currently departing from other U.S. port cities from sailing among the Hawaiian islands. In the end, the American consumer is the loser.

While Hawaii law currently prohibits any gaming within the state, including its waters, U.S., state, and international law allows gaming on vessels more than three miles from shore. I have no argument against Hawaii's gambling prohibition. But the amendment authored by Senator INOUYE is aimed at keeping planed operations by international cruise operators out of Hawaii and preserving the monopoly

created for American Classic Voyages as part of special interest legislation he sponsored and which became law in 1998. The language will result in fewer large cruise ship operators serving the Hawaiian Islands and drastically restricting consumer choice for cruise vacations in Hawaii.

What is most amazing is this measure, like so many others in this bill, was never discussed publicly, with the administration, or with any Committee of jurisdiction in Congress. This type of closed door, special interest legislation should concern every Member. To deny the American public the freedom of choice in cruising vacations and restrict international trade without one moment of debate is very troubling.

In light of this and other such inappropriate legislating, we must enact institutional reforms to put an end to the rampant abuse of the budget process.

If we are to hold any hope for reforming the budgetary process in this body, fundamental changes to the rules governing the appropriations process must be made. The two Rules of the Senate designed to impose discipline on the appropriations process are Rule 16, and Rule 28. Rule 16 is designed to block legislative riders on appropriations bills coming out of Committee, and Rule 28 is designed to accomplish the same goal on Conference Reports. Unfortunately, due to the fact that Rule 16 points of order only require a simple majority to over-rule the Chair, it has proven ineffective in stripping riders. And, as we all know, Rule 28 is effectively moot at this point.

As such, when the Senate reconvenes next year, it is my intention to offer an amendment to the Rules of the Senate designed to toughen Rule 16, and to reaffirm and toughen Rule 28. This amendment would do the following:

Rule 16 would be modified to require a three-fifths vote to over-rule a point of order against a legislative item inserted into a general appropriations bill by the appropriations committee. Further, a single point of order may be raised against each legislative item, and each point of order would be debatable and subject to a roll call vote.

Rule 28 would be modified, blocking Conferees to a general appropriations bill from inserting in their Report any matter not committed to them by either House, or striking from the bill matter agreed to by both Houses. Conferees to a general appropriations bill would be prohibited from increasing an appropriation for any item committed to them by either House to a level exceeding the highest appropriated level for such item presented to them by either House, and reducing an appropriated level for any item committed to them below the lowest appropriated level for such item committed to them by either House.

Further, Conferees to a general appropriations bill would be restricted from modifying any item committed to them by either House where such modification is not germane to the item being modified. In any case, no matter may be inserted into the Report that is not germane to the general appropriations bill committed to the Conferees.

The result of these changes would be to impose a strict ''scope of conference'' rule on appropriations Conferees.

A point of order may be made by any Senator against any general appropriations bill Conference Report for any violation of the restrictions set forth by this rule. In such cases where a single restriction has been violated more than once within a Conference Report, or where more than one restriction has been violated within a single Conference Report, each violation may be treated individually, and may be subject to a specific point of order. In the event that a single, or multiple points of order, are made against a general appropriations bill Conference Report for reasons set forth under these new restrictions, a three-fifths vote of the Senate is required to over-rule the Chair. Each appeal of the ruling of the Chair of each respective point of order is debatable and must be voted on separately.

Mr. President, before I end, I want to wish everyone a happy holiday season and New Year.

Mr. LAUTENBERG. Mr. President, I would like to take some time to discuss the importance of investing in our Nation's high-speed rail infrastructure.

We have what could fairly be termed a looming transportation crisis in the United States. Business and personal travelers are overwhelmingly relying on air travel to get from city to city, and the system is plagued with delays and congestion which is not only undermining people's personal plans but also harming the business community.

Air travel has become so inconvenient and unreliable, the public needs alternatives. According to the Federal Aviation Administration, aviation delays increased 58 percent between 1995 and 1999. And to add to passengers' frustration, the average delay is getting longer each year—averaging 50 minutes in 1999.

Even worse, flight cancellations increased 68 percent over that same period—1995—1999. Overall, nearly one in four flights was either delayed or canceled in 1999.

The summer of 1999 was the most delayed summer in aviation history. That is until this summer, which blew past last year's delay record.

The number of delays, the number of cancellations, and the length of delays all have continued to go up so far in 2000. And consumer complaints more than doubled in 1999 and are up almost another 50 percent so far this year.

With aviation travel expected to increase more than 50 percent over the next decade, we have a crisis looming.

The Federal Aviation Administration estimates that boardings will increase to 917 million by 2008. Our current aviation system can't handle this demand.

Fortunately, we have a solution to this problem right before our eyes. A solution that we have ignored and neglected for too long—high-speed passenger rail.

Nineteen of the 20 most-delayed airports in the United States are located on potential high-speed corridors. And high-speed rail can provide a competitive travel alternative, particularly over distances less than 500 miles.

The situation on our roads is almost as dire as the problems in our skies. One study estimated that $72 billion dollars was lost in 1997 as a result of traffic congestion through lost productivity and wasted fuel. And this situation continues to deteriorate. People now spend 50 percent more time stuck in traffic than they did in 1990 and triple the time they did in 1982.

Critics have complained about Amtrak receiving $23 billion federal subsidies since 1971. But this is pocket change compared with the funding we have provided other modes over that same period. Since 1971, we have spent over $160 billion on aviation programs and over $380 billion on highways.

The High-Speed Rail Investment Act can is the vehicle for giving Americans more transportation options. This legislation would allow Amtrak to sell $10 billion in high-speed rail bonds over ten years. The Federal Government would leverage private sector investment in our rail infrastructure by providing tax credits to bondholders.

States would be full partners in this effort and would have to put up a 20 percent match which would go into an escrow account to be used to repay the bond principal.

These funds would enable high-speed rail projects to go forward in the Midwest, the Southeast, the Gulf Coast, and along the Pacific Coast.

And it would allow us to finish the Northeast Corridor high-speed rail project.

High-speed rail means better, faster, more competitive rail service. It means a comfortable travel alternative to those who want to avoid congested highways and cramped and delayed planes.

The High-Speed Rail Investment Act, S. 1900, is supported by a bipartisan group of 57 Senators representing all regions of the country. And companion House legislation, H.R. 3700, introduced by Congressmen AMO HOUGHTON and JAMES OBERSTAR, now has over 150 cosponsors.

Our Nation's governors, state legislators, and mayors understand our transportation problems and see high-speed rail as a vital part of the solution to our transporatation woes. Newspapers from across the Nation have come out in support of investing in high-speed rail.

Mr. President, the benefits of High Speed Rail Service are clear. High-speed rail is the future of transportation in America. We cannot maintain a productive and efficient transportation system without modernizing our

rail infrastructure and providing a competitive alternative means of transportation on our rails.

I am therefore pleased that I have the commitment of my colleagues to provide resources for high speed rail next year. While I won't be in the Senate, I know the Senator from Delaware and other colleagues will work relentlessly toward this goal.

Mr. HATCH. Mr. President, as the Senate considers the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000, I want to take this opportunity to comment about several of the provisions included in the bill. This bill contains many important health care provisions affecting both Medicare providers and Medicare beneficiaries. Accordingly, I am delighted that a final agreement has been reached with the White House on these provisions and that the measure is now ready for passage.

I also want to take this opportunity to commend the distinguished Chairman of the Finance Committee, Senator ROTH, for his leadership and persistence over the past several months in moving this critically important legislation. On a personal note, I would be remiss if I did not say that I will miss my colleague and good friend BILL ROTH. I am very sorry that he will not be returning to the next Congress to continue the work on which he has labored for so many years.

BILL ROTH has made a real difference to Americans—he was one of the original believers in across-the-board tax cuts. President Reagan seized on this idea as the way to get our nation out of ''stagflation.'' The tax policy worked and produced one of the longest periods of prosperity in history. BILL ROTH was also a father of the individual retirement account, which is a simple way that Americans can help themselves save for retirement. Senator ROTH worked tirelessly over the years to expand IRAs, make them even more available and more workable. I greatly admire BILL ROTH's understanding of the tax code and tax policy, and we are going to miss his continued contributions to this complex issue area.

But, Chairman ROTH has also been a champion on the Finance Committee and in the Senate for his commitment in addressing the critical structural and financing problems facing the Medicare program. Indeed, his work over the past several years as Chairman of the Finance Committee has dramatically improved the prospects that meaningful Medicare reform can be accomplished, in a bipartisan fashion, in the next Congress. Moreover, because of his efforts, the foundation has been laid for a workable and much-needed Medicare drug benefit that I am hopeful Congress will enact with the leadership of President-elect Bush.

For now, I would like to comment briefly on several provisions which I authored, or strongly supported, that are included in this legislation.

First, I am pleased the legislation contains provisions to create a prospective payment system for federally qualified health centers in every state of the country. Betty Vierra, who serves as the Executive Director of the Association for Utah Community Health, advised me that this is one of the top priorities of community health centers in Utah and across the nation. Community health centers have been working on this issue since 1997, and I am pleased they have finally won their hard-fought battle.

The bill also contains provisions from the Medicare Access to Technology Act of 2000, legislation that I introduced earlier this year. Last year, provisions were included in the omnibus budget legislation for fiscal year 2000 that addressed some of the outstanding problems concerning access issues for Medicare beneficiaries. Unfortunately, we were to able to resolve all of the issues last year. As a result, Medicare beneficiaries continue to have trouble gaining access to many new medical technologies that are already reimbursed by private insurance plans.

That is why I introduced the Medicare Patient Access to Technology Act of 2000. I believe we must eliminate the delays and barriers to access that have arisen in the way Medicare decides to cover, code and pay for new medical devices and diagnostics. Last year's legislation, which was included in the Balanced Budget Relief Act (BBRA), represented an important first step in modernizing the Medicare program to provide timely access to needed medical treatments provided in the hospital outpatient setting.

Briefly, my legislation requires the Health Care Financing Administration (HCFA) to implement the OPPS pass-through payment program on the basis of categories starting April 1, 2001. The bill includes a provision which changes the way in which HCFA reimburses for clinical laboratory services including the establishment of a specific process for clinical laboratory payments, and to report to Congress on this issue. Finally, the legislation requires the maintenance of local codes by Medicare contractors for three years and also requires HCFA by October 1, 2001 to provide for the inclusion of new technologies and devices more quickly in the Medicare inpatient hospital payment program.

On another matter, I have been deeply concerned about the safety of our nation's blood supply. Patient access to a safe and adequate blood supply is a national health priority, however, many of us have heard from the American Red Cross, America's blood centers, and the American Association of Blood Banks about hospitals having trouble paying for new blood therapies. Additional funding is needed if we are to remain committed to the safest blood supply possible.

The blood banking and transfusion medicine communities are constantly working to assure that safety improvements for blood are implemented as soon as they are available. Unfortunately, these measures significantly increase the cost of blood products—over 40 percent for the two latest technologies—for both the hospital and blood bank.

While blood is donated by volunteers, nonprofit blood centers must recover the costs associated with providing a safe product. Nonprofit blood centers pass these charges onto hospitals, which in turn, must get timely and adequate reimbursement for these life-saving and life-enhancing products. Unfortunately, the current system by which HCFA determines inpatient reimbursement rates does not account for these safety improvements a timely manner.

The bill directs HCFA and MedPAC to review how hospitals are being reimbursed for blood. It also asks both entities to recommend necessary changes to provide fair and timely reimbursement. While these recommendations will not be completed until late next year, I will continue to work on guaranteeing that patients are receiving the safest possible blood products as soon as possible.

I am also very pleased that the legislation before the Senate today contains additional funding for our nation's skilled facilities (SNFs). In September, I introduced legislation, S. 3030, along with my colleague Senator DOMENICI, to increase Medicare reimbursements for skilled nursing facilities.

Nursing homes across our country continue to struggle under the enormous demands of complying with the implementation of the prospective payment system as authorized pursuant to the Balanced Budget Act of 1997 (BBA). In an effort to address this problem, Congress passed legislation last year to restore nearly $2.7 billion for the care of nursing home patients. This action provided much needed relief to an industry that is facing extraordinarily financial difficulties as a result of the spending reductions provided under the BBA as well as implementation by HCFA.

Unfortunately, the problem is not fixed and more needs to be done. That is why Senator DOMENICI and I introduced the Skilled Nursing Facility Care Act of 2000 so that seniors can rest assured that they will have access to this important Medicare benefit.

In Utah, there are currently 93 nursing homes serving nearly 5,800 residents. I understand that seven of these 93 facilities, which are operated by Vencor, have filed for Chapter 11 protection. These seven facilities care for approximately 800 residents. Clearly, we need to be concerned about the prospect of these nursing homes going out of business, and the dramatic consequences that such action would have on all residents—no matter who pays the bill.

I am pleased that the bill before the Senate contains provisions from the Skilled Nursing Facility Care Act to ensure patient access to nursing home

care. Medicare's skilled nursing benefit provides life enhancing care following a hospitalization to nearly two million seniors annually. Unless Congress and HCFA take the necessary steps to ensure proper payments, elderly patients will be at risk, especially in rural, underserved and economically disadvantaged areas.

Specifically, the bill provides approximately $1.6 billion to SNFs over the next five years. The legislation repeals the minus one percent decrease in the SNF market basket for FY 2001 thereby providing the full market basket update. In FY 2002 and 2003 the updates would be the market basket index increase minus 0.5 percentage points.

Moreover, temporary increases in the federal per diem rates provided by last year's increases would be in addition to the increases in this provision. The bill also increases the nursing component for each Resource Utilization Group (RUG) by 16.66% over current law for SNF care furnished after April 1, 2001 and before October 1, 2002. Clearly, these additional dollars will help ensure the continuity of beneficiary care in our nation's nursing homes.

Another issue that I worked hard to get into the legislation is the financial commitment made for the treatment and research on diabetes. I am extremely pleased that the bill provides a substantial increase in appropriations for special diabetes programs for children with Type 1 Diabetes as well as for Native Americans with diabetes. As my colleagues recall, the BBA created two new grant programs under which the Secretary of Health and Human Services could make grants to support prevention and treatment services of diabetes for children and for Native Americans, respectively.

Specifically, Congress committed $30 million each for Native American diabetes care and for NIH research of Type 1 Diabetes in children. This program was authorized for five years—FY 1998 through FY 2002. I am very pleased the legislation increases the appropriated funds available for these two programs by raising the amount from $30 million to $100 million for FY 2001 and FY 2002, respectively. Moreover, the bill appropriates $100 million for each program for FY 2003.

These dollars have been extremely helpful in Indian Country where Native Americans suffer the highest rate of diabetes than any other segment of our population. I want to commend the Republican leadership for ensuring that these dollars were included in the bill—this commitment is truly making positive difference in the lives of millions of Americans who suffer from this deadly disease.

With respect to home health care, the legislation protects funding for home health care services by delaying until October 1, 2002 a BBA-scheduled 15 percent cut in Medicare payments. I sponsored legislation earlier this year that addresses the issue of the 15 percent cut. And, while I hoped we could repeal the 15% cut provision altogether, I can appreciate the difficulty the conferees faced in resolving this complicated and costly provision. Delaying the cut for another year will provide Congress additional time to address this controversial issue.

Moreover, the bill provides for a full medical inflation update for home health. I am particularly pleased the bill contains a provision that enhances the use of telehealth medicine in the delivery of home health care services. This enhancement will be especially helpful to those individuals who live in the rural and remote parts of Utah where medical specialists are not readily available. As a result, Utahns who live in these areas will not have improved access to the best doctors and medical care specialists regardless of where they live.

The bill also contains a provision on adult day care. This provision clarifies that the need for adult day care for a patient's plan of treatment does not preclude appropriate coverage for home health care. It also clarifies the ability of homebound beneficiaries to attend religious services without being disqualified from receiving home health care benefits. As one of the Senate's strongest supporters of home health care, I believe these provisions will enhance substantially the home health care benefit.

As far as hospitals are concerned, the legislation provides a substantial amount of new funding for our nation's hospitals. I have been particularly concerned about the financial impact of the BBA's provisions on rural hospitals. As I travel across Utah, I am constantly reminded by hospital administrators about the serious financial pressures many of these institutions currently face with increased demands for care while coping with reduced reimbursements from Medicare. Clearly, Congress needs to act now to ensure the financial viability of our nation's hospitals.

The bill also addresses the problem by providing equitable treatment for rural disproportionate share hospitals (DSHs) which care for a disproportionate share of poor Medicare patients. The bill extends the Medicare Dependent Hospital program for rural areas; it updates target amounts for sole community hospitals; and increases rural patients' access to emergency and ambulance services.

Moreover, the bill ensures continued access to hospital services nationwide by providing a full inflation market basket update for fiscal year 2001. The plan also ensures the financial stability of teaching hospitals by increasing payments related to physician training. This provision is especially important to Utah's University Hospital which has been hard hit in the past year by the BBA reductions.

With regard to Native Americans, the legislation contains an extremely important provision regarding Indian health care. The bill authorizes, for the first time, the Indian Health Service (IHS) and tribally operated clinics and hospitals to receive Medicare Part B reimbursement for services provided under the physician fee schedule. This proposal would enhance the access of Medicare-eligible Native Americans to affordable, quality health care and improve the ability of these clinics and hospitals to serve the Native American population.

Another important Medicare issue I want to raise involves providing appropriate coverage for certain injectable drugs and biologicals that are critical to many Medicare beneficiaries. To resolve this issue, the legislation has a provision which addresses this important issue.

The Medicare Carriers Manual specifies that a drug or biological is covered under this provision if it is ''usually'' not self-administered. Under this standard, Medicare for many years covered drugs and biological products administered by physicians in their offices and other outpatient settings. In August 1997, however, HCFA issued a memorandum that had the effect of eliminating coverage for certain products that could be self-administered. This resulted in patients suddenly losing their Medicare coverage for these products, thus limiting access to drugs and biologicals for many seniors and disabled individuals.

The legislation's language clarifies Medicare reimbursement policy to guarantee that physicians and hospitals will be reimbursed for injectable drugs and biologicals. The new language requires coverage of ''drugs and biologicals which are not usually self-administered by the patient,'' thus restoring the coverage policy that was in effect before the August 1997 HCFA memorandum was issued.

When HCFA considers whether a drug or biological is usually self-administered, I feel HCFA should determine whether a majority of Medicare beneficiaries can actually self-administer the drug. HCFA should assume, as it did for many years, that Medicare patients do not usually administer injections or infusions to themselves, while oral medications usually are self-administered.

I believe that it would be appropriate for HCFA to issue guidelines for its contractors to clarify the intent of the legislation. In addition, HCFA should instruct its contractors not to exclude a drug or biological without making an explicit finding supported by evidence that the product is usually self-administered by most Medicare patients.

This issue is an important step to provide our seniors and persons with disabilities with the prescription drugs and biologicals that they deserve. I look forward to working with HCFA to ensure that our Medicare beneficiaries receive adequate and appropriate coverage for these drugs and biologicals.

On another matter Mr. President, I would also like to state that as the

Medicare provisions of this legislation are implemented, I urge the Secretary of Health and Human Services to review policies that affect the order of services provided to home health beneficiaries to assure that, under the prospective payment system, home health agencies are given maximum flexibility to provide services in a clinically appropriate and efficient order.

In this connection, I believe the Secretary should also review the role of occupational therapists in conducting the initial Outcome and Assessment Information Set (OASIS) even when occupational therapy is not the therapy service that initially qualifies the beneficiary for covered home health services.

For example, when patients are prescribed home health solely for rehabilitation, the review should include whether or not it would be clinically appropriate for occupational therapy to be the first service provided to the patient. Another factor to be considered is whether or not it may be appropriate for an occupational therapist to conduct the initial OASIS. I am hopeful that the prospective payment system implemented by the Secretary will not restrict the ability of home health agencies to fully utilize the unique skills of covered therapists.

Once again, Mr. President, I am pleased the Congress and President Clinton have come together in reaching agreement on this legislation. It is vital that these provisions become enacted this year; they will help many people across our country. I look forward to the President signing this measure into law at the earliest possible date.

I also want to take this opportunity to thank the numerous individuals across the great state of Utah who took the time to meet with me here in Washington and in Utah over the past year regarding many of the health provisions included in this bill. I value the input and expertise I received from health care providers and consumers in may state, and especially from the elderly whose views have been particularly helpful to me in the development of this legislation.

Seniors in Utah and across our country depend on Medicare. We must ensure this program provides the highest quality of health care to beneficiaries. Moreover, I am hopeful that in the next Congress, with the leadership from President-elect Bush, we will be able to build on today's work and further improve the quality of services to beneficiaries and, especially, provide for a new outpatient prescription drug benefit.

Mr. KERRY. Mr. President, let me say a few words about the Small Business Reauthorization Act of 2000 and the process to bring this legislation to the floor as part of the Fiscal Year 2001 Omnibus Appropriations bill. First, however, I would like to thank Senate Committee on Small Business Chairman KIT BOND, House Small Business Committee Chairman JIM TALENT, House Small Business Committee Ranking Member NYDIA VELAZQUEZ, our staffs, Laura Ayoud with Senate Legislative Counsel and John Ratliff with the House Legislative Counsel's office for their efforts on reauthorizing programs vital to America's small businesses. We have all worked long and hard to get to this point.

The Small Business Reauthorization Act of 2000, H.R. 5667, as included in the Fiscal Year 2001 Omnibus Appropriations bill, contains a good portion of the conference report negotiated by the Senate and House Committees on Small Business. Despite the rough start, partisan wrangling over unrelated issues, broken deals and lengthy delays, I am pleased that we can at last pass this legislation so critical to our nation's small businesses. Unfortunately, it is our small businesses that have suffered the most in this climate of uncertainty, waiting, anticipating and hoping that the Congress would complete its work and pass this reauthorization package.

While I am pleased that we have reached an agreement that will ensure continuation of valuable Small Business Administration (SBA) programs, I am greatly concerned with the breakdown in the legislative process that has prevented what is normally a bi-partisan reauthorization bill from passing in a timely manner.

To briefly elaborate on this, when the original agreement between the Senate and the House was concluded, our bipartisan legislation was commandeered by the Republican leadership and provisions dealing with tax cuts, assisted suicide and medicare give-backs to HMOs were added without my knowledge or consent. The President threatened to veto such a package.

Additionally, a Wellstone provision agreed to during negotiations was removed. The Wellstone provision would have created a 3 year $9 million pilot project to build the capacity of community development venture capital firms through research, training and management assistance. Senator WELLSTONE had already agreed to make this program a three year pilot project and cut the funding down from $20 million over four years. But the provision was removed from the Conference Report without consulting either of us.

I am also disappointed that some provisions included in the Senate passed version of the Small Business Reauthorization Act, as well as in the Administration's budget request, were not included in the final version of this legislation. The original Senate version contained several provisions important to the Administration, Members of the Senate Small Business Committee and the Senate in general. In the spirit of compromise, the Senate agreed to drop several of these important provisions, with an understanding, in many cases, to revisit these issues in the 107th Congress.

Chairman BOND agreed to remove his provision regarding the ''Independent Office of Advocacy Act,'' which I cosponsored, and which passed the Senate as a separate bill. This Committee has heard on more than one occasion that providing separate funding for the Office of Advocacy is the best means to ensure its autonomy. I look forward to working with the Chairman on this issue in the next Congress. A provision requested by Senator TED STEVENS setting up a HUBZone pilot program in Alaska and a provision requested by Senator DIANNE FEINSTEIN to allow fruit and vegetable packing houses hit by the 1998 freeze to participate in the SBA's Disaster Loan program were removed as well. I have assured Senator FEINSTEIN that the Committee will look further into this matter in the next Congress in an effort to allow the SBA to provide relief if it is warranted.

A provision requested by the Administration and strongly supported by Senator PAUL WELLSTONE and myself was also dropped. This provision would have created a Native American Small Business Development Center (SBDC) Network that would have worked together with the traditional SBDC Network, but would have been separately funded. I have received assurances from both Chairman BOND and the House Committee on Small Business that this issue will be addressed in the next Congress, along with concerns raised by Senator INOUYE about the participation of Native Hawaiian Organizations in the 8(a) program. The Senate and House Committees on Small Business are in agreement that this is an important issue for Native Americans, considered a disadvantaged group for the purposes of SBA programs, and one that needs greater focus.

Provisions regarding the Quadrennial Small Business Summit, the Small Business Advocacy Review Panel Technical Amendments Act, Development Company Debenture Interest Rates, Fraud and False Statements and Financial Institution Civil Penalties were also removed.

The final version of this legislation does include some of the provisions I requested regarding improvements to the Microloan program. The changes to the Microloan program stemmed from the President's Fiscal Year 2001 budget request and had broad support in the Senate, as well the support of several Members of the House Committee on Small Business. I have long been a firm believer in microloans and their power to help people gain economic independence while improving the communities in which they live. With a relatively small investment, the Microloan program helps turn ideas into small businesses adding up to sel-sufficiency for many families and big returns for the taxpayers.

Changes to the program, which resulted from a roundtable Committee meeting in the Senate and discussions with the Administration and users of the Microloan program, will be a great

boon to the effectiveness and availability of Microloans. Specifically, provisions increasing the maximum loan amount from $25,000 to $35,000 and increasing the average loan size to $15,000 were included. However, changes to make the program more effective, such as increasing the number of intermediaries or authorizing reimbursement for peer-to-peer mentoring, were weakened or removed because the House did not have time to hold hearings and study them thoroughly.

I believe all of the changes in the Senate bill make sense, have broad bipartisan and bicameral support, and would go a long way toward providing increased access to capital, especially for minority entrepreneurs. I want to make it clear to my colleagues who support the Microloan program that I will continue my efforts to strengthen this program and will work with Chairman BOND and our House counterparts to make these remaining improvements in the next Congress. I also intend to revisit the Microloan funding issue before the end of the three-year reauthorization period if the level authorized is inadequate to meet program needs.

While I am disappointed that some of the Senate changes were not included in the final compromise, this legislation is crucial for our nation's small businesses. It reauthorizes all of the SBA's programs, setting the funding levels for the credit and business development programs, and making selected improvements. Without this legislation, the 504 loan program and the Small Business Innovation Research program would shut down; the venture capital debenture program would shut down; and funding to the states for their small business development centers would be in jeopardy.

The SBA's contribution is significant. In the past eight years, the SBA has helped almost 375,000 small businesses get more than $80 billion in loans. That's double what small businesses had received in the preceding 40 years since the agency's creation. The SBA is better run than ever before, with four straight years of clean financial audits; it has a quarter less staff, but guarantees twice as many loans; and its credit and finance programs are a bargain. For a relatively small investment, taxpayers are leveraging their money to help thousands of small businesses every year and fuel the economy.

Let me just give you one example. In the 7(a) program, taxpayers spend only $1.24 for every $100 loaned to small business owners. Well known successes like Winnebago and Ben & Jerry's are clear examples of the program's effectiveness.

Overall, I agree with the program levels in the three-year reauthorization bill. As I said during the Small Business Committee's hearing on SBA's budget earlier in the year, I believe the program levels are realistic and appropriate based on the growing demand for the programs and the prosperity of the country. I also think they are adequate should the economy slow down and lenders have less cash to invest. Consistent with SBA's mission, in good times or bad, we need to make sure that small businesses have access to credit and capital so that our economy benefits from the services, products and jobs they provide. As First Lady and Senator-elect HILLARY RODHAM CLINTON says, we don't want good ideas dying in the parking lot of banks. We also want a safety net when our states are hit hard by a natural disaster. There are many members of this Chamber, and their constituents, who know all too well the value of SBA disaster loans after floods, fires and tornadoes.

Mr. President, I am extremely pleased that we included legislation to extend the Small Business Innovation Research (SBIR) program for 8 more years as part of this comprehensive SBA reauthorization bill. While I am very sorry the process has taken this long, in no way should that imply that there is not strong support for the SBIR program, the Small Business Administration, or our nation's innovative small businesses.

The SBIR program is of vital importance to the high-technology sector throughout the country. For the past decade, growth in the high-technology field has been a major source of the resurgence of the American economy we now enjoy. While many Americans know of the success of Microsoft, Oracle, and many of the dot.com companies, few realize that it is America's small businesses, working in industries like software, hardware, medical research, aerospace technologies, and bio-technology, that are helping to fuel this resurgence—and that it is the SBIR program that makes much of this possible. By setting aside Federal research and development dollars specifically for small high-tech businesses, the SBIR program is making important contributions to our economy.

These companies have helped launch the space shuttle; conducted research on Hepatitis C; and made B–2 Bomber missions safer and more effective.

Since the start of the SBIR program in 1983, more than 17,600 firms have received over $9.8 billion in SBIR funding agreements. In 1999 alone, nearly $1.1 billion was awarded to small high-tech firms through the SBIR program, assisting more than 4,500 firms.

The SBIR program has been, and remains, an excellent example of how government and small business can work together to advance the cause of both science and our economy. Access to risk capital is vital to the growth of small high technology companies, which accounted for more then 40 percent of all jobs in the high technology sector of our economy in 1998. The SBIR program gives these companies access to Federal research and development money and encourages those who do the research to commercialize their results. Because research is crucial to ensuring that our nation is the leader in knowledge-based industries, which will generate the largest job growth in the next century, the SBIR program is a good investment for the future.

I am proud of the many SBIR successes that have come from my state of Massachusetts. Companies like Advanced Magnetics of Cambridge, Massachusetts, illustrate that success. Advanced Magnetics used SBIR funding to develop a drug making it easier for hospitals to find tumors in patients. The development of this drug increased company sales and allowed Advanced Magnetics to hire additional employees. This is exactly the kind of economic growth we need in this nation, because jobs in the high-technology field pay well and raise everyone's standard of living. That is why I am such a strong supporter and proponent of the SBIR program and fully support its reauthorization.

This legislation also includes my legislation establishing a New Markets Venture Capital program at SBA. This small business legislation is designed to promote economic development, business investment, productive wealth and stable jobs in ''new markets,'' low- and moderate-income communities where there is little to no sustainable economic activity but many overlooked business opportunities. The venture capital program is modeled after the Small Business Administration's successful Small Business Investment Company program. The SBIC program has been so successful that it has generated more than $19 billion in investments in more than 13,000 businesses since 1992.

With the passage of the ''New Markets'' legislation, low- and moderate-income areas will have increased opportunities to join the economic boom in America and this targeted venture capital will make a powerful difference in places like the inner-city areas of Boston's Roxbury or New York's East Harlem, and rural areas like Kentucky's Appalachia or the Mississippi's Delta region.

This legislation also contains H.R. 2614, which reauthorizes SBA's 504 loan program, which passed the Senate on June 14, 2000. The bill and our improvements make common-sense changes to this critical economic development tool. These changes will greatly increase the opportunity for small business owners to build a facility, buy more equipment, or acquire a new building. In turn, small business owners will be able to expand their companies and hire new workers, ultimately resulting in an improved local economy.

Since 1980, over 25,000 businesses have received more than $20 billion in fixed-asset financing through the 504 program. In my home state of Massachusetts, over the last decade small businesses have received $318 million in 504 loans that created more than 10,000 jobs. The stories behind those numbers say a lot about how SBA's 504 loans

help business owners and communities. For instance, in Fall River, Massachusetts, owners Patricia Ladino and Russell Young developed a custom packing plant for scallops and shrimp that has grown from ten to 30 employees in just two short years and is in the process of another expansion that will add as many as 25 new jobs.

Under this reauthorization bill, the maximum debenture size for Section 504 loans has been increased from $750,000 to $1 million. For loans that meet special public policy goals, the maximum debenture size has been increased from $1 million to $1.3 million. It has been a decade since we increased the maximum guarantee amount. If we were to change it to keep pace with inflation, the maximum guarantee would be approximately $1.25 million instead of $1 million. By not implementing such a sharp increase, we are striking a balance between rising costs and increasing the government's exposure.

I am pleased to say that this legislation also includes a provision assisting women-owned businesses, which I first introduced in 1998 as part of S. 2448, the Small Business Loan Enhancement Act. This provision adds women-owned businesses to the current list of businesses eligible for the larger public policy loans. As the role of women-owned businesses in our economy continues to increase, we would be remiss if we did not encourage their growth and success by adding them to this list.

Mr. President, the 504 loan program gets results. It expands the opportunities of small businesses, creates jobs and improves communities. It is crucial that it be reauthorized, I am pleased this legislation has been included in this package.

Small Business Development Centers (SBDC) are also reauthorized under this legislation. SBDCs serve tens of thousands of small business owners and prospective owners every year. This bill takes a giant step to retool the formula that determines how much funding each state receives. This is an important program for all of our states and we want no confusion about its funding. Without this change, some states would have suffered sharp decreases in funding, disproportionate to their needs. I appreciate and am glad that the SBA and the Association of Small Business Development Centers worked with me to develop an acceptable formula so that small businesses continue to be adequately served. As I said previously, I plan to revisit the Native American SBDC Network issue next Congress.

This legislation also reauthorized the National Women's Business Council. For such a tiny office, with minimal funding and staff, it has managed to make a significant contribution to our understanding of the impact of women-owned businesses in our economy. It has also done pioneer work in raising awareness of business practices that work against women-owned business, such as some in the area of Federal procurement. Recently, the Council completed two studies that documented the world of Federal procurement and its impact on women-owned businesses.

According to the National Foundation for Women Business Owners, over the past decade, the number of women-owned businesses in this country has grown by 103 percent to an estimated 9.1 million firms. These firms generate almost $3.6 trillion in sales annually and employ more than 27.5 million workers. With the impact of women-owned businesses on our economy increasing at an unprecedented rate, Congress relies on the National Women's Business Council to serve as its eyes and ears as it anticipates the needs of this burgeoning entrepreneurial sector. Since it was established in 1988, the bipartisan Council has provided important unbiased advice and counsel to Congress.

This Act recognizes the Council's work and re-authorizes it for three years, from FY 2001 to 2003. It also increases the annual appropriation from $600,000 to $1 million, which will allow the council to support new and ongoing research, and produce and distribute reports and recommendations prepared by the Council.

The Historically Underutilized Business Zone, or ''HUBZone'' program, which passed this Committee in 1997, has tremendous potential to create economic prosperity and development in those areas of our Nation that have not seen great rewards, even in this time of unprecedented economic health and stability. This program is similar to my New Markets legislation in that it creates an incentive to hire from, and perform work in, areas of this country that need assistance the most. This bill would authorize the HUBZone program at $10 million for the next 3 years, which is $5 million above the Administration's request.

Additionally, this legislation includes very important provisions to allow those groups which were inadvertently missed when this legislation was crafted—namely Indian tribal governments and Alaska Native Corporations—to participate in the program. I appreciate the willingness of the Committee on Indian Affairs to work with our Committee to create increased HUBZone opportunities for Native Americans.

As I stated, the HUBZone section does not contain any provision addressing the interaction of the HUBZone and 8(a) minority contracting programs. I believe that the 8(a) program is an important and necessary tool to help minority small businesses receive access to government contracts. The Chairman and I agree that there is a need to enhance the participation of both 8(a) and HUBZone companies in Federal procurement. It is my intention that the Senate Committee on Small Business consider the issue of enhancing small business procurement in the next Congress.

This legislation also includes a provision relating to SBA's cosponsorship authority. This authority allows SBA and its programs to cosponsor events and activities with private sector entities, thus leveraging the Agency's limited resources. The legislation extends this authority for three additional years.

Mr. President, let me conclude by reminding my colleagues that all of our states benefit from the success and abundance of small businesses. This legislation makes their jobs a little easier. I ask my colleagues for their support of this important legislation.

Mr. THURMOND. Mr. President, as we draw the 106th Congress to a close, I wish only to take a moment to express my appreciation to Senator STEVENS and others who concluded the negotiations on this final appropriations bill. They have worked under difficult circumstances, and I commend them for their accomplishment. I particularly acknowledge the effort of the Senator STEVENS. He is an outstanding chairman. He has devoted months of effort to this bill at great personal sacrifice. He is extremely capable and is always courteous and I express my personal thanks to him for his good work.

I am particularly gratified that the Appropriations Committee found a way to fund a leadership development program for the Boys and Girls Clubs of America. I have a long held interest in and concern for the young people of our Nation. The funding contained in this bill for a National Training Center will assist this worldwide organization in its mission of serving youth. The Center will offer a full array of programs, training, and research for participants from across the entire Nation. As a result, significant progress will be make toward the goals of promoting citizenship, leadership, and character development; the prevention of drug and alcohol abuse; and similar initiatives. On behalf of the youth of this Nation, I again express my appreciation for the Congress supporting this measure.

Mr. BIDEN. Mr. President, I want to take a few minutes to speak to the Commerce-Justice-State appropriations legislation that is contained in this bill. Unfortunately, I've got some good news and some bad news. The good news is that this bill recognizes the need to dedicate more resources to foreign policy needs; the bad news is that the bill fails to contain funding for three important programs in the Justice portion of this legislation.

The State Department does important work—protecting our citizens and pursuing our foreign policy objectives—in some of the most dangerous and difficult places in the world. Unlike the U.S. military, State Department employees go into areas of conflict unarmed, and generally unprotected. We have State Department officials in Sierra Leone, in Syria, in Lebanon and Liberia, and throughout the war-torn corners of the former Yugoslavia.

That is why I am particularly pleased to see that funding for embassy security in the Commerce-Justice-State bill is at the levels requested by the Administration. I strongly support full funding of two critical accounts—embassy security and maintenance, and embassy security equipment and personnel—in the legislation to authorize State Department activities which was initiated by the Committee on Foreign Relations last year.

Failure to fully fund the State Department's security account would have had a devastating effect on the safety of the Americans who serve us overseas, both in the number of security agents who protect them against terrorist threats and construction of new, safe embassies. Fortunately both these security programs will be well-funded. I regret, however, that agreement was not reached to fund a new Center for Anti-terrorism and Security Training. I hope we can give this careful consideration next year.

In addition, after many years of decline, funding for the State Department's most basic needs—including salaries and administrative expenses—has been increased. The final funding for this account exceeds the Administration's original request by $65 million, which should help offset the many reductions in the State Department budget during the 1990s.

As the Secretary of State has said numerous times, diplomats are our first line of defense. Just as we are concerned about military readiness, so we must be attentive to diplomatic readiness overseas. We need to do as much as we can—and in my opinion, this funding goes only part way—to ensure that we retain the best and the brightest in our Foreign Service.

I am pleased that the amount of money dedicated to United Nations Peacekeeping operations exceeds the Administration's original request. The final figure is based on more recent calculations of the U.S. dues to the United Nations and will allow us to help fund these important missions, thereby alleviating suffering and improving stability around the world.

I understand the frustration that many of my colleagues feel toward the United Nations. Earlier this week, I visited the UN. I want to assure my colleagues that reform is happening. Ambassador Holbrooke has kept his commitment, made to the Committee on Foreign Relations during his confirmation hearings, that reform will be his ''highest sustained priority.'' He and his team in New York continue to push effectively for needed reforms in the areas of peacekeeping and general operations. The recommendations made by the Brahimi panel, in particular, will result in better focused, trained and equipped peacekeeping missions—changes I believe that we all agree are needed.

I wish that I could be as positive about the Justice Department portion of the bill, but I cannot. I am disheartened that the legislation does not contain three crucial provisions—reauthorization of the COPS program, the Violent Crime Reduction Trust Fund, and full funding for the Violence Against Women Act.

Although we have 49 co-sponsors from both sides of the aisle and letters of support from every major law enforcement organization, a few powerful members on the other side have refused to allow a vote on the continuation of the COPS program.

In 1994, we set a goal of funding 100,000 police officers by the year 2000. We met that goal months ahead of schedule. As of today, there have been 109,000 officers funded and 68,100 officers deployed to the streets.

Because of COPS, the concept of community policing has become law enforcement's principal weapon in fighting crime. Community policing has redefined the relationship between law enforcement and the public. But, more importantly, it has reduced crime. And that is what we attempted to do.

All across the country, from Wilmington to Washington—from Connecticut to California, we are seeing a dramatic decline in crime. Just a few weeks ago, the FBI released its annual crime statistics which showed that once again, for the eighth year in a row, crime is down. In fact, crime was down 7 percent from last year and 16 percent since 1995. But we can't become complacent. We have to continue to help state and local law enforcement by putting more cops on the street. Mark my words, the day we become complacent is the day that crime rates go up again. And refusing to even allow a vote on this bill is even worse than complacency—it is irresponsible.

And I will say again that I firmly believe that reauthorization of the Violent Crime Reduction Trust Fund is the single most significant thing that we can do to continue the war on crime.

Since the Fund was established in the 1994 Crime Act, Congress has appropriated monies from the fund for programs including the Local Law Enforcement Block Grant Program and numerous programs contained in the Violence Against Women Act. The money has gone to hire more cops and it has brought unprecedented resources to defending our southwest border. It has funded runaway youth prevention programs and numerous innovative crime prevention programs. And there are many more.

The results of these efforts have taken hold. Crime is down—way down. And we didn't add 1 cent to the deficit or the debt.

This was the single most important paragraph in the 1994 Crime bill because no one can touch this money for any other purpose. It can't be spent on anything else but crime reduction. It is the one place where no one can compete. It is set aside. It is a savings account to fight crime.

This fund works. It ensures that the crime reduction programs that we pass will be funded. It ensures that the crime rate will continue to go down instead of up. It ensures that our kids will have a place to go after school instead of hanging out on the street corners. It ensures that violent crimes against women get the individualized attention that they need and deserve. It gives States money to hire more cops and get better technology.

This bill also is unsatisfactory because it leaves the landmark Violence Against Women Act underfunded, seriously jeopardizing the tremendous strides we have made in every State across this country to reduce domestic violence and sexual assault against women. Congress originally approved this legislation in 1994 and then reauthorized it unanimously this past October. In the bill before us, however, Congress fails to live up to its commitment to women and children who are the victims of domestic violence and sexual assault by not appropriating the necessary funds authorized in the Violence Against Women Act of 2000.

Reauthorization of the COPS program, the Trust Fund, and full funding for the Violence Against Women Act should have been a part of this package, and I'm disappointed that some on the other side have decided to put politics ahead of the people.

Mr. GRAMM. Mr. President, today I am proud to add my voice in support of the Commodity Futures Modernization Act of 2000. This legislation represents the end product of work that began in S. 2697, which Senator LUGAR and I introduced on June 8. The Commodity Futures Modernization Act of 2000 completes the work of last year's financial services modernization law, bringing our financial regulation in line with the rapid pace of developments in the global marketplace. The Commodity Futures Modernization Act of 2000 will now allow new and important financial products—single stock futures—to be sold in America. It protects financial institutions from over-regulation, and provides legal certainty for the $60 trillion market in swaps.

Significant portions of this legislation, particularly in Titles II, III and IV of the Act, concern issues within the jurisdiction of the Committee on Banking, Housing, and Urban Affairs.

Title II establishes the authority and framework for the offering of single stock futures, removing the ban embodied in the so-called Shad-Johnson Accord. I would like to take this opportunity to echo the views expressed by my colleague, Congressman BLILEY, Chairman of the Committee on Commerce of the House of Representatives, at the time of House adoption of this bill. It is my understanding that nothing in Title II of H.R. 5660 would (i) authorize any bank or similar institution to engage in any activity or transaction, or hold any asset, that the institution is not authorized to engage in or hold under its chartering or authorizing statute; (ii) authorize depository

institutions either to take delivery of equity securities under a single stock future or under any other circumstance, or otherwise to invest in any equity security otherwise prohibited for depository institutions; or (iii) allow a depository institution to use single stock futures to circumvent restrictions in the law on ownership of equity securities under its chartering or authorizing statute.

Under Title III of the bill, the SEC is granted new authority to undertake certain enforcement actions in connection with security-based swap agreements. It is important to emphasize that nothing in the title should be read to imply that swap agreements are either securities or futures contracts. To emphasize that point, the definition of a ''swap agreement'' is placed in a neutral statute, the Gramm-Leach-Bliley Act, that is, legislation that is not specifically part of a banking, securities, or commodities law. However, drawing upon the SEC's enforcement experience, the SEC is permitted, on a case-by-case basis, with respect to security-based swap agreements (as defined in the legislation) to take action against fraud, manipulation, and insider trading abuses.

Title III makes it clear that the SEC is not to impose regulations on such instruments as prophylactic measures. Banks are already heavily regulated institutions. Further regulatory burden, rather than discouraging wrongdoing, would be more likely to discourage development and innovation, during business overseas instead. The SEC is directed to focus on the wrong doers rather than provide new paperwork burden and regulatory costs on the law abiding investors and financial services providers. For example, the SEC is directed not to require the registration of security-based swap agreements. If a registration statement is submitted to the SEC and accepted by the SEC, the agency is required promptly to notify the registrant of the error, and the registration statement will be null and void.

Insider trading provisions of the Securities Exchange Act will be applied to single stock futures transactions as well.

Title IV of the Commodity Futures Modernization Act of 2000 contains the Legal Certainty for Bank Products Act of 2000. This title is a free standing provision of law, part of neither the banking statutes not the commodities statutes. The provisions of this title clarify the jurisdictional line between the regulation of banking products and futures products.

Under section 403 of Title IV, no provision of the Commodity Exchange Act (CEA) may apply to, and the CFTC is prohibited from exercising regulatory authority with respect to, an ''identified banking product'' if: (1) an appropriate banking agency certifies that the product has been commonly offered, entered into, or provided in the United States by any bank on or before December 5, 2000, and (2) the product was not prohibited by the CEA and was not in fact regulated by the CFTC as a contract of sale of a commodity for future delivery (or an option on such a contract or on a commodity) on or before December 5, 2000. This provision is intended to provide legal certainty for existing banking products so that they can continue to be offered, entered into, or provided by banks without being subject to CFTC regulation.

An existing banking product is one that is certified by the appropriate banking regulator as being a product is ''commonly'' offered, entered into, or provided, on or before December 5, 2000, in the U.S. by any bank. To rely upon that test a particular bank would not need to have certified that the particular bank had offered the product. The certification would apply if it or any other bank had offered such a product on or before December 5, 2000. The term ''commonly offered'' means, in effect, that the product was not obscure, or offered only briefly. It is not to be construed to mean that the product must be of a type that is appropriate or suitable for any and all users, since many common bank products are tailored for specific customers, small business loans or low cost checking accounts for seniors being two such examples.

New banking products not excluded from the CFTC's jurisdiction under Title IV will be, if indexed to a commodity, subject to a test to determine whether they are predominantly banking products, in which case, the CFTC is precluded from exercising regulatory authority over them. The predominance test is a self test. Banks themselves may apply the factors of the predominance test with respect to the development of new products, without making prior application to any regulator. The predominance test as contained in the law is intended to replace regulatory provisions under the Commodity Exchange Act concerning the application of a predominance test with respect to hybrid instruments.

Under the predominance test, a hybrid instrument will be considered to be predominantly a banking product if (1) the issuer of the instrument receives payment in full of the purchase price of the instrument substantially contemporaneously with its delivery, (2) the purchaser or holder of the hybrid is not required to make any payment to the issuer in addition to the purchase price during the life of the instrument or at maturity, (3) the issuer is not subject to mark-to-market margining requirements, and (4) the hybrid is not marketed as a contract of sale of a commodity for future delivery or an option subject to the CEA.

If a bank, having applied the predominance test to a new product, determines that the product is predominantly a banking product not subject to CFTC regulation, and the CFTC later challenges the bank's conclusion, the CFTC is still prohibited from exercising regulatory authority over the product unless the Commission obtains the concurrence of the Board of Governors of the Federal Reserve Board (Board). If the Board does not concur in the CFTC's decision, the Board may submit the controversy for determination by the United States Court of Appeals for the District of Columbia Circuit.

The CFTC is expected to be circumspect in applying the predominance test. For example, it does not necessarily follow that a hybrid instrument not satisfying the predominance test is inevitably a futures contract subject to CFTC regulation. The CFTC must not interpret normal or traditional banking practices and activities, or prudent actions taken by a bank to maintain safety and soundness, to be hybrid instruments that the CFTC may regulate. For example, a loan made by a bank is an identified banking product under section 206(a)(3) of the Gramm–Leach-Bliley Act. Some may argue that a new loan product offered after December 5, 2000, may be interpreted to be covered by the definition of a hybrid instrument if it has one or payments indexed to the value of, or provides for the delivery of, one or more commodities. However, there would be little justification for the CFTC to construe the pledging of a commodity as collateral for a loan, or that providing that a commodity may be offered as part or full satisfaction of a loan, to be representative of a futures contract over which the CFTC may exert jurisdiction. No such result is contemplated under this legislation.

Moreover, the fact that a loan may be renegotiated or sold, or that a loan or other identified banking product may not be held until maturity, is not a violation of the predominance test. These are merely examples of the reasonable interpretations that the CFTC must adhere to when it applies the predominance test for purposes of the statute.

The Commodity Futures Modernization Act of 2000 excludes from its coverage agreements, contracts or transactions in an excluded commodity entered into on an electronic trading facility provided that such agreements, contracts or transactions are entered into only by eligible contract participants on a principal-to-principal basis trading for their own accounts. In some cases, a party may enter into an agreement, contact or transaction on an electronic trading facility that mirrors another agreement, contract or transaction entered into at about the same time with a customer. The risk of one transaction may be largely or completely offset by the other; and that may be the purpose for entering into both transactions. But the party entering into both transactions remains liable to each of its counterparties throughout the life of the transaction. That party is similarly exposed to the credit risk of each of its counterparties. The fact that a party

has entered into back-to-back transactions as described above does not alter the principal-to-principal nature of each of the transactions and must not be construed to affect the eligibility of either transaction for the electronic trading facility exclusion.

Mr. President, enactment of the Commodity Futures Modernization Act of 2000 will be noted as a major achievement by the 106th Congress. Taken together with the Gramm–Leach-Bliley Act, the work of this Congress will be seen as a watershed, where we turned away from the outmoded, Depression-era approach to financial regulation and adopted a framework that will position our financial services industries to be world leaders into the new century.

Mr. KENNEDY. Mr. President, I join in commending the Democratic and Republican leaders for reaching this bipartisan agreement to give early, full and fair consideration to the Amtrak bond proposal in the next Congress.

The legislation is needed to ensure that Amtrak has the resources to maintain passenger rail service across the country.

This funding will undoubtedly strengthen train service in the Northeast Corridor. But this financing package can do much more to provide similar service to communities throughout the country. It will provide the financial stability that Amtrak needs to plan adequately for the future.

With the increasing congestion and delays we're seeing at major airports across the country, we need other options for transportation in the 21st century.

I look forward to the enactment of this important legislation early in the next Congress, so that passenger rail service will continue to be a key component of our transportation network.

Amtrak helps states meet clean air requirements by giving people a viable alternative to driving and flying. It's more energy efficient, which is particularly important for the New England region.

For many business commuters and vacationers, it's a more appealing way to travel. And for many workers, it's their chosen profession to which they've devoted years of their lives, and their families depend on it to pay the bills.

As a nation, we need a firm commitment to support passenger rail service, just as we do for highways and airports.

So again, I commend the leaders for the commitments made today for a financing plan to strengthen passenger rail service in the United States.

Mr. THOMPSON. Mr. President, I am pleased that the Senate-House conferees have adopted an amendment I sponsored to inform Congress and our citizens about potential violations of their privacy on Federal agency Web sites. The public has a right to know whether the Federal Government is respecting personal privacy. This amendment would require all Inspectors General to report to Congress within 60 days on how each department or agency collects and reviews personal information on its web site. The amendment is based on similar language offered by Congressman JAY INSLEE in the House that would have applied exclusively to the agencies funded by the Treasury-Postal Appropriations bill. Our final language was adopted by the Senate-House conferees in the bill providing appropriations for the Legislative Branch and Treasury-Postal Appropriations Act, and it was included in the Omnibus Appropriations Act.

The Internet has brought great benefits to our society, but understandably, the public is becoming more and more concerned about the way personal information is collected and handled on the Internet. The Federal Government should set an example for how personal privacy is handled in cyberspace. But unfortunately, concerns have been raised that some Federal agencies may be engaging in information-gathering practices that could only further deepen the public's distrust of government. We need to find out whether these concerns are real, and if they are, we need to decide what do about it.

Although the Clinton Administration established a privacy policy in June 1999 to guide the agencies, it is not clear whether the policy did much to protect privacy. In particular, the policy seemed to condone agencies' use of ''cookies''—small bits of software placed on web users' hard drives to collect personal information. The policy stated, ''In the course of operating a web site, certain information may be collected automatically in logs or by cookies.'' It also stated that ''some agencies may be able to collect a great deal of information,'' but went on to state that some agencies might make a policy decision to limit the information collected. Under the Paperwork Reduction Act, OMB is supposed to direct the agencies on privacy policy, but OMB's original privacy guidance seemed to give the agencies free rein to decide their own privacy policy for themselves. But OMB's original guidance did require the agencies to post privacy policies making clear whether they were collecting information.

Earlier this year, it was revealed that the White House Office of National Drug Control Policy had contracted with a private company to use cookies to track users of the ONDCP web site. ONDCP failed to warn the public about this practice in its privacy policy.

When the press reported ONDCP's practices, there was a swift and sharp public outcry. The White House's Office of Management and Budget quickly shifted into damaged control mode and issued a June 22 memorandum reversing its previous guidance and creating a presumption against the use of cookies on Federal web sites. However, more recently GAO reported to me that a number of agencies continued to use cookies, and it was not clear how these cookies were being used. This whole episode raises questions about the Federal Government's commitment to citizens' privacy. It also could undermine citizens' trust in government Web site.

I am not suggesting that cookies are inherently bad devices under all circumstances. Cookies can perform beneficial tasks on the Internet, such as counting the number of visitors to a site, assessing the popularity of certain Web pages, and briefly storing information already entered into to a form so that users don't have to enter the same information multiple times. At the same time, cookies can be used to identify specific computers and track a user's actions all over the Internet. The real questions I have are, ''What are cookies on Federal agency web sites being used for, and what are the information-gathering practices of the agencies?'' Right now, I don't know. And the American people don't know.

I have asked GAO to investigate which agencies are using cookies, how they are using them, and whether the practice violates the law and Administration policy. The amendment I have sponsored will provide further information from the Inspectors General on how agencies collect and use personal information. The language is based on a similar amendment that was offered to the House Treasury-Postal bill by Democratic Congressman JAY INSLEE. I want to thank Congressman INSLEE for working in a bipartisan way to protect citizens' personal privacy.

Mr. President, the American people have a right to know what information is being collected about them on Federal Web sites. This amendment would ensure that we know agencies' data collection practices so that we in Congress can make sure that privacy rights of citizens are not being violated.

Mr. HARKIN. Mr. President, we are finally at the finish line at the end of a legislative triathalon. It's been a long, difficult road, but we've finally come up with a health and education appropriations bill for this fiscal year. It truly was a test of endurance. Not only can we take pride in having survived the experience, but, even more importantly, we've produced a bipartisan agreement that is a victory for the health and education of our nation.

This agreement is not only a model for giving our nation the building blocks we need for a strong and secure future. It is a model of how Democrats and Republicans can work together across party lines to do what is the best interest of the American people.

Believe me, it hasn't been easy. Before the election, Senator STEVENS, Senate BYRD, Senator SPECTER, and I, along with Congressmen BILL YOUNG, DAVE OBEY, and JOHN PORTER worked for months to craft a solid bipartisan agreement. At times the negotiations got heated, but both sides hung in there, and in the end we came up with a good compromise.

That bipartisan agreement would have passed overwhelmingly in both the House and the Senate—which is why we were all just baffled when, less than 12 hours after we had signed our names to the bill, a tiny faction of the House Republican leadership decided to kill it.

As a result, some reductions had to be made, some of which were very disappointing. I hope that in the next Congress, a spirit of cooperation and civility will prevail and prevent these sort of last-minute, partisan maneuvers.

That being said, I believe that the version of our bill that we have here today is a very, very good one. It maintains most of our hard fought gains and provides critical investments to improve health care, education, and labor conditions for all Americans.

I want to extend my sincere thanks and commendation to my long-time partner, Senator ARLEN SPECTER and his staff. We have had a great bipartisan partnership on this bill for a decade. Year after year, Senator SPECTER has done yeoman's work, and it is a pleasure to work with him. This is always a difficult bill to maneuver and this year may have been our toughest.

I also want thank and commend our chairman, Senator STEVENS, and ranking member Senator BYRD for their great work. This bill would not be possible without their outstanding and steadfast efforts.

Finally, I want to thank our colleagues on the House side, Congressman OBEY, Congressman PORTER, and Chairman BILL YOUNG. I especially want to commend Congressman PORTER who is retiring this year.

Here are some of the reasons why I urge all of my colleagues to support this important bipartisan agreement.

Education funding: $1.6 billion to lower class sizes, up from $1.3 billion last year; $900 million to repair and modernize crumbling schools: should result in over $5 billion in school repairs, based on successful Iowa model; and increase to $3,750 for the maximum Pell grant—that's a record increase in the grants to make college more affordable; and $6.2 billion for Head Start: that's a $933 million increase from last year which will allow thousands of additional children to be served.

Afterschool care: $850 million for after school care: nearly 50 percent increase.

Home heating: $1.4 billion for LIHEAP to help low-income Americans heat their homes this winter: a $300 million increase.

Health care: $20.3 billion for NIH funding: $2.5 billion increase, the largest increase ever; thousands of new research projects on Alzheimer's, cancer, childhood diabetes, HIV, Parkinson's disease, cerebral palsy, and others; $125 million for new program to assist family caregivers struggling to keep elderly loved ones in their homes—provide respite and other needed services.

I am also especially excited about the funding in this bill for the Medical Errors Reduction Act of 2000 which Senator SPECTER and I introduced. Medical errors are estimated to be the 5th leading cause of death in this country. In fact, more people die from medical errors each year than from motor vehicles accidents (43,458), breast cancer (42,297), or AIDS (16,516). Our bill gives grants to states to establish reporting systems designed to reduce medical errors. It also calls for better research, training and public information on the issue of medical errors.

I'm also very proud of the funding in this bill for numerous programs that will give people with disabilities a real choice to live in their own communities near their families and friends. Most notably, this bill includes $50 million for systems change grants to help states reform their long-term care systems and make it easier for people with disabilities and the elderly to live at home.

This is just the beginning of our work to help states meet their so-called Olmstead obligation to provide services and supports to people with disabilities in the most integrated settings appropriate and feasible. This year is the 10th anniversary of the Americans with Disabilities Act, and these provisions are a great way to implement the ADA's ideals of independence and justice for all.

Finally, I would like to mention how pleased I am with the FAIR Act—the Medicare Fairness in Reimbursement Act—that is attached to the LHHS Appropriations Bill, I, Senator THOMAS, and several other Members of Congress introduced this bipartisan bill to provide Medicare providers relief from the excessive payment reductions resulting from the 1997 Balanced Budget Act. This bill will allow approximately 30 states, including Iowa, to benefit from fairer Medicare payments to states below the national average.

This bill allots approximately $35 billion over 5 years for reimbursement improvements to hospitals, home health agencies, nursing facilities, rural health providers and Medicare managed care. It will help our struggling rural hospitals, nursing facilities and home health agencies continue to provide quality care to seniors in Iowa and across the nation.

The bill will also help to improve enrollment rates for families and children in Medicaid and the Children's Health Insurance Program.

While I'm disappointed that our original LHHS Appropriations compromise was derailed, this bill is still a major step forward. It provides important investments in the health, education and productivity of all Americans.

This bill would not have been possible without the tireless, often heroic work of my staff. They's worked late nights and long weekends, and I am incredibly grateful for their expertise and excellent advice. I would especially like to thank Ellen Murray, Lisa Bernhardt, Peter Reinecke, Katie Corrigan, Sabrina Corlette, and Bev Schroeder for their outstanding work.

In passing this bill, I am hopeful that we will move beyond the partisan bickering that stalled our negotiations for so long.

With this year's elections, the American people sent us a strong message. They gave us one of the closest Presidential elections in history along with an evenly divided Senate and a closely divided House.

Clearly, they are tired of the bickering and bitterness that have characterized our politics, and they want us to bridge our differences and work together for their best interests. It is now time for us to come together and heed their call.

Mr. ENZI. Mr. President, I rise today to discuss the passage of the FY 2001 Omnibus Appropriations bill. Had I been given the opportunity to cast a recorded vote on this legislation, I would have voted ''no.''

There were a lot of things slipped in without prior authorization for the spending. I hope in the next Congress we can work with a new administration to clean up the process. Projects should go through a separate authorization process. All Members should have the same opportunity to review the projects in the bill and the public should know what is being funded. There are a number of us who would also like to see biennial budgeting so we have a chance to really evaluate how taxpayer money is being used.

We didn't even have a final funding total available to us before the vote. I know funding for labor and health and other related areas increased dramatically in this deal to nearly $13 billion more than last year's levels. These significant funding levels are not a one-time activity in the Congress—it has become an annual ritual. It's just too much. This is money that should be going to pay off the national debt. We must break the pattern of spending our children's future.

Some increases in the overall spending package were needed, including more support for education and nearly $36 billion in Medicare payments to healthcare providers. Wyoming rural hospitals and nursing homes will benefit from this effort. There are some very good things in this bill, but looking at the whole picture, the bad outweighed the good.

I am also very displeased that budget negotiators left out of the package a previously passed amendment which would have prevented the Occupational Safety and Health Administration (OSHA) from going forward with a massive new repetitive stress injury rule. The ergonomics rule could leave injured workers' compensation systems in ruin, close nursing homes and overshadow existing safety needs. The Senate and House agreed by a bipartisan vote on identical language that would require OSHA to slow its furious rush.

The amendment would give the agency time to go back and fix the terrible flaws with this rule that have been brought to light. This new regulation will affect the whole of workplaces in America. It carries serious consequences. I am most displeased that this rule will be finalized and I will work with my colleagues to overturn it.

Mr. BAUCUS. Although I am unable to vote for or against the omnibus legislation before the Senate today, I would like to comment on the process that brought us here. In an effort to improve the economy of my state and to facilitate trade between America and its East Asian trading partners, I have led a trade mission of Montanans to East Asia for the last several days, meeting with trade officials in Japan, China and Korea.

Mr. President, I am extremely concerned about the process that has brought about this omnibus bill's passage. It is unfortunate that the Senate finds itself in virtually the same position as it did the last two years with appropriations matters. As my colleagues will recall, in 1998 we voted on a giant omnibus appropriations bill which contained eight appropriations bills, plus numerous other authorizing legislation. It ran on for nearly 4,000 pages and was called a ''gargantuan monstrosity'' by the distinguished Senator from West Virginia, Senator BYRD.

Unfortunately, we did not learn our lesson in 1998. Last year Congress wrapped Medicare provider payments into appropriations for Commerce-State-Justice, Foreign Operations Appropriations, Interior and Labor-HHS, again passing it in omnibus fashion without time for senators to read through the bill and raise concerns about its contents.

I voted against the 1998 and 1999 omnibus bills, not because they did not contain good provisions for the country and my State of Montana. They did. I opposed these bills because I believed—as I do now—that writing such legislation behind closed doors among a small group of people dangerously disenfranchises most senators, House members, and the American people.

And here we are again, passing Labor-HHS along with Treasury-Postal and Legislative Appropriations—all in one bill, with the input of very few members of Congress. Despite statements in 1998 and 1999 that such a process would not happen again, we find ourselves in the same position as the last two years. Mr. President, we already face a population that is increasingly cynical of government and those who serve it, and the wrangling over the presidential election that just ended has not helped matters. People believe more and more that government does not look after their interests, but only after special interests. And the more we operate behind closed doors, without an open, public process, the more we feed that cynicism. That is not healthy for our democracy or our people, and it's why I cannot support this omnibus bill.

That said, Mr. President, there is good news for Montana health care in this bill, provisions that I have fought for all year. In particular, I want to reiterate my support for year-long efforts to restore funding to health care providers negatively impacted by the Balanced Budget Act, BBA, of 1997.

When the BBA was passed in 1997, it was heralded as landmark legislation to extend the life of Medicare's trust fund and impose some much-needed fiscal discipline on the program. Indeed, just eight years ago, estimates indicated that Medicare's hospital trust fund would run dry in 1999. But a strong economy and reductions in payments to Medicare providers through the BBA have extended the life of the Part A Trust Fund for probably a couple of decades. Unfortunately, access to quality health care may have been compromised in the process.

For example, the BBA included new prospective payment systems for Medicare providers of hospital, skilled nursing and home health care. While these payment systems are intended to introduce efficiency to Medicare and ultimately increase the quality and availability of patient care, in some cases they may not make sense. I am concerned that PPSs may be ill-applied in the case of small, rural facilities, which do not have the patient volume to survive under a system of flat-rate payments.

Consider home health care, for example. As costs for this important benefit spiraled out of control, and as reports circulated of fly-by-night home care agencies defrauding the government and harming patients, Congress passed a home health prospective payment system as part of the BBA. Payments were reduced drastically. While these cuts were justified in regions of the US with too many home care providers, they also took effect where there was not a redundancy of agencies. Now there are some Montana counties lacking home care providers altogether. Montana has lost seven home health agencies, and there are currently three counties in my state with no home care provider at all. Together these three counties—Rosebud, Treasure and Big Horn—have an area over 23,000 square miles, an area nearly the size of West Virginia.

I believe BBA changes have gone too far in the area of hospital care as well. Last year I pushed legislation to spare small rural hospitals drastic cuts in Medicare reimbursement to their outpatient departments by exempting them from the negative impacts of the outpatient prospective payment system. Based on estimates from the Health Care Financing Administration, the effects of the outpatient PPS would have been devastating on small Montana hospitals. Madison Valley Hospital in Ennis, Montana, for example, would have lost an estimated 62 percent of its outpatient Medicare payments without an exemption from the outpatient PPS; Liberty County Hospital in Chester would have lost over 50 percent.

I was pleased that Congress acted to prevent cuts to these outpatient facilities last year, through passage of the Balanced Budget Refinement Act of 1999, BBRA, legislation restoring $16 billion in Medicare and Medicaid payments over a five-year period.

This year's budget bill has significant BBA relief as well. Although I believe too much of the funding is directed toward Medicare+Choice plans, there is significant help in the package for the well-being of Montana health care and Medicare in general. These provisions include increased reimbursement for telemedicine; special payments for rural home care agencies and rural disproportionate hospitals; correction of a mistake affecting Critical Access Hospitals' outpatient lab facilities; relief for community health centers and rural health clinics; and redistribution of unspent funding from the State Children's Health Program, SCHIP. In short, I am pleased that BBA relief is set for passage, and I commend the Administration and my colleagues for setting aside politics to get this bill done.

I would also like to make a couple of comments about the tax legislation in this omnibus bill. In this area too, I object not so much to what is in this bill as I do to what is not. The tax title of the bill includes a number of provisions to encourage economic development in distressed communities, the so-called Community Renewal and New Markets provisions. I support these provisions because I believe they can help spur economic development in many areas in the country, including in my own home State of Montana. I also support the language that allows Indian tribes to be treated like state and local governments in their payment of Federal unemployment taxes.

However, in this closed process of negotiation by the few, several good ideas that were in the Senate version of the Community Renewal bill somehow never made it into this conference report. There is not one single dollar in this bill to help Americans save for their retirement, which is a high priority of mine because I believe our country needs to begin preparing for the wave of baby boom retirements. The Senate bill included a wide-ranging farm package that is very important for rural areas that you won't see in this bill. It also included environmental and energy incentives that were designed to help us plan for the future. The loss of these provisions will become much more noticeable as our land and energy needs keep growing.

The bottom line is that there is a reason that tax items should not be included in an appropriations omnibus bill at the last minute, particularly when the tax-writing committees are left out of the process of writing the

bill. That is exactly what has happened again this year, and I again voice my objections to the process.

Ms. COLLINS. I rise in support of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act which we are considering as part of this omnibus package and which provides over $30 billion in much needed financial relief to our nation's beleaguered hospitals, home health agencies, hospices and other Medicare providers over the next five years.

In 1997, Congress and the White House faced a large and seemingly intractable federal budget deficit and projection that the Medicare Trust Fund would be bankrupt by 2002 unless Congress acted. The rapid growth in Medicare spending and pending insolvency of the trust fund understandably prompted the Congress and the Administration, as part of the Balanced Budget Act of 1997, to initiate changes that were intended to allow the spending growth and make Medicare more cost-effective and efficient.

These measures, however, have inadvertently produced cuts in Medicare spending far beyond what Congress intended. In 1997, the Congressional Budget Office estimated that the BBA would cut Medicare spending by $116 billion from 1998 to 2002. It now appears that the five-year impact of the BBA for hospitals, home health agencies and other Medicare providers is closer to $227 billion—almost twice the original estimates.

These deeper than expected cuts in Medicare spending, coupled with onerous regulatory requirements imposed by the Clinton Administration, are inhibiting the ability of hospitals, home health agencies, and other providers to deliver much-needed care, particularly to chronically-ill patients with complex care needs. While the Balanced Budget Refinement Act of 1999 did provide some relief, I believe that it is imperative that we do more. As we approach the end of the 106th Congress, we should have no higher priority.

I am particularly pleased that the package we are considering today provides overdue relief for our nation's rural hospitals. Small, rural hospitals in Maine and elsehwere face unique challenges in the delivery of health care services. Shortages of physicians, nurses and other health professionals make it difficult to ensure that rural residents have access to all of the care that they need. Moreover, Medicare reimbursement policies tend to favor urban areas and often fail to take the special needs of rural providers into account.

One relatively simple, but nevertheless important step we can take is to enable more small, rural hospitals in Maine and elsewhere to qualify for enhanced Medicare payments under the Medicare Dependent, Small Rural Hospital Program. I am therefore pleased that this bill includes legislation that I introduced, the Small Rural Hospital Program Improvement Act, to update the antiquated and arbitrary classification requirements that prevent otherwise-qualified hospitals from receiving assistance under this program.

Despite the fact that most of the small rural hospitals in Maine treat a disproportionate share of Medicare beneficiaries, none of them currently qualifies for this program. Not a single one. If updated in the way that this bill proposes, as many as nine Maine hospitals will be eligible for the program, which will qualify them to receive over $9 million in additional Medicare dollars each year.

The bill also includes legislation introduced by the senior Senator from Maine, Senator SNOWE, to correct a drafting error that precluded some of Maine's sole community hospitals from benefiting from the rebasing provisions in the Balancing Budget Refinement Act. This provision will bring an additional $2.8 million in Medicare reimbursements to Maine's hospitals each year.

In addition, the legislation corrects the current inequity in the Medicare Disproportionate Share Hospital program that discriminates against rural hospitals that care for proportionately greater numbers of low-income patients. By treating rural hospitals the same as urban hospitals, as this bill would do, we will increase Medicare disproportionate share payments to at least 18 of Maine's hospitals by more than $8 million a year.

And finally, the legislation will provide increased Medicare payments to all Maine hospitals by providing them with a full 3.4 percent inflation increase in FY 2001, up from the 2.3 percent they would receive under current law.

Increasing Medicare payments rates is critically important to the hospitals in Maine. For the past several years, Maine has ranked 49th or 50th in the nation in terms of Medicare reimbursement-to-cost ratios. While hospitals in some states receive more than it costs them to provide care to older and disabled patients, Maine's hospitals are only reimbursed about 80 cents for every $1.00 they actually spend caring for Medicare beneficiaries.

As a consequence, Maine's hospitals have experienced a serious Medicare shortfall in recent years. The Maine Hospital Association anticipates a $174 million Medicare shortfall in 2002, which will force Maine's hospitals to shift costs on to other payers in the form of higher hospital charges. This Medicare shortfall is one of the reasons that Maine has among the highest insurance premiums in the nation. These provisions will not solve all of Maine's Medicare shortfall problems, but they will help to close the gap.

I am also pleased that this bill extends and increases funding for two diabetes research programs created by the Balanced Budget Act of 1997, one focused on juvenile diabetes and the other focused on diabetes in Native Americans. These two programs are currently only funded through 2002. The Medicare, Medicaid and S–CHIP Benefits Improvement and Protection Act would extend funding for these two programs for one year and increase their funding levels from $30 million a year to $100 million a year.

As the founder and Co-Chair of the Senate Diabetes Caucus, I have learned a great deal about this serious disease and the difficulties and heartbreak that it causes for so many Americans and their families as they await a cure. We were all encouraged by the news earlier this year that twelve individuals from Canada appear to have been cured of their diabetes through an experimental treatment involving the transplantation of islet cells, and I believe that it is becoming increasingly clear that diabetes is a disease that can be cured, and will be cured in the near future, if sufficient funding is made available.

Last year, the Senate Permanent Subcommittee on Investigations, which I chair, held an oversight hearing to determine if the funding levels for diabetes research at the National Institutes of Health (NIH) are sufficient. At the hearing, the Committee heard testimony from the Diabetes Research Working Group (DRWG), an expert panel that studied the status of diabetes research at the NIH and across the country. The study revealed that diabetes research has been seriously underfunded. According to the DRWG, diabetes research represents only about 3 percent of the NIH research budget, which is clearly too small an investment for a disease that affects 16 million Americans and accounts for more than 10 percent of all health care dollars and nearly a quarter of all Medicare expenditures. Moreover, the DRWG report found that ''many scientific opportunities are not being pursued due to insufficient funding,'' and that the current ''funding level is far short of what is required to make progress on this complex and difficult problem.'' According to the DRWG, the funding levels for diabetes at the NIH are roughly $300 million short of what is necessary to ensure that the promising scientific opportunities in diabetes research are realized.

The legislation we are considering today will help to close that gap and will make an enormous difference to the millions of Americans whose lives are affected every day by diabetes. By extending and increasing the funding for these two important research programs, we are providing the additional resources necessary to take advantage of the unprecedented opportunities for medical advances that should lead to better treatments, a means of prevention, and eventually a cure for this devastating disease.

Finally, I am pleased that the bill we are considering today does provide a small measure of relief to our nation's struggling home health agencies, and in particular to those agencies that serve patients in rural areas. I am,

however, disappointed that it does not do more. I will therefore continue to push not just for a delay—as this measure proposes—but for a full repeal of the automatic 15 percent reduction in home health payments that is currently scheduled to go into effect on October 1, 2001.

The Medicare home health benefit has already been cut far more deeply and abruptly than any other benefit in the history of the Medicare program. An additional 15 percent cut in Medicare home health payments would ring the death knell for those low-cost agencies that are struggling to hang on and would further reduce our senior's access to critical home health services.

Moreover, the savings goals set for home health in the Balanced Budget Act of 1997 have not only been met, but far surpassed. The CBO projects that the post-BBA reductions in home health will be about $69 billion between fiscal years 1998 and 2002. This is over four times the $16 billion that Congress expected to save when it passed the 1997 law. Further cuts clearly are not necessary and the 15 percent cut should be repealed. To simply delay the cut for an additional year is to leave this ''sword of Damocles'' hanging over the head of our nation's home health agencies.

I have also been disappointed that the process under which we are considering this critical piece of legislation has not allowed for any amendments. The Home Health Payment Fairness Act, which I introduced with my colleague from Missouri, Senator BOND, to repeal the 15 percent cut currently has 55 Senate cosponsors. If I had been allowed to offer my bill as an amendment, as I had planned, it almost certainly would have passed.

Thank you, Mr. President, and I urge my colleagues to join me in voting for this important legislation.

Mr. KOHL. Mr. President, I rise today in support of the Hart-Scott-Rodino Act reform included in the Commerce-Justice-State appropriations bill. Our provision updates the law, which hadn't been adjusted for inflation since it was enacted in 1976, and makes several improvements to the merger review process undertaken by the Antitrust Division of the Department of Justice and the Federal Trade Commission. It is a bipartisan measure, authored by Senators HATCH, LEAHY, DEWINE, and myself and Representatives HYDE and CONYERS, and it deserves our support.

The Hart-Scott-Rodino Act is crucial to the enforcement of competition policy in today's economy—it ensures that the antitrust agencies have sufficient time to review mergers and acquisitions prior to their completion. The statute requires that, prior to consummating a merger or acquisition of a certain minimum size, the companies involved must formally notify the antitrust agencies and must provide certain information regarding the proposed transaction. For those transactions covered by the Act, the parties to a merger or acquisition may not close their transaction until the expiration of a waiting period after making their Hart-Scott-Rodino Act filing. It also authorizes the government to subpoena additional information from merging parties so that the government has sufficient information to complete its merger analysis.

While this statute has a very laudable purpose, especially with the tremendous numbers of mergers and acquisitions taking place in recent years, some of its provisions are in need of revision. Most importantly, while inflation has caused the value of a dollar to drop by more than a half in the past 25 years, the monetary test that subjects a transaction to the provisions of the statute has not been revised since the law's enactment in 1976. As a result, many transactions that are of a relatively small size and pose little antitrust concerns are nevertheless swept into the ambit of the Hart-Scott-Rodino review process. This legislation updates this statute to better fit into today's economy by raising the minimum size of transaction covered by the Hart-Scott-Rodino Act from $15 million to $50 million. This will both lessen the agencies' burden of reviewing small transactions unlikely to seriously affect competition and enable the agencies to allocate their resources to properly focus on those transactions most worthy of scrutiny.

Further, exempting small transactions from the Hart-Scott-Rodino process will significantly lessen regulatory burdens and expenses imposed on small businesses. The parties to these smaller transactions will no longer need to pay the $45,000 filing fee—or face the often even more onerous legal fees and other expenses typically incurred in preparing a Hart-Scott-Rodino filing—for mergers and acquisitions that usually don't pose any competitive concerns.

In exempting this class of transactions from Hart-Scott-Rodino review, however, it is important that we not cause the antitrust agencies to lose the funding they need to carry out their increasingly demanding mission of enforcing the nation's antitrust laws. This bill will reduce the number of Hart-Scott-Rodino filings and therefore reduce the revenues generated by these filings if the filing fees were kept at their present level. Of course, in a perfect world, we wouldn't finance the Antitrust Division and the FTC on the backs of these filing fees. But because they are a fact of life, the antitrust agencies should not be penalized by these reforms by suffering such a reduction in revenues. As a result, in order to assure that this reform is revenue neutral, we have worked with the Appropriations Committee to ensure that this bill raises the filing fees for the largest transactions. Consequently, filing fees are to be increased for transactions valued at over $100,000,000, which makes sense because these transactions require more scrutiny.

This legislation makes other changes designed to enhance the efficiency of the pre-merger review process. The waiting period has been extended from twenty to thirty days after the parties' compliance with the government's request for additional information, a more realistic waiting period in this era of increasingly complex mergers generating enormous amounts of relevant information and documents. And, as in the Federal Rules of Civil Procedure, when a deadline for governmental action occurs on a weekend or holiday, the deadline is extended to the next business day. This simple provision will eliminate gamesmanship by parties who currently may time their compliance so that the waiting period ends on a weekend or holiday, effectively shortening the waiting period to the previous business day.

Finally, in recent years may have expressed concerns regarding the difficulties and expense imposed on business in complying with allegedly overly burdensome or duplicative government request for additional information. So our legislation also contains carefully crafted provisions to ensure that business is not faced with unduly burdensome or overbroad requests for information, while assuring that the antitrust agencies' ability to obtain the information necessary to carry out a merger investigation is not hampered. Specifically, our legislation mandates that the FTC and Antitrust Division designate a senior official who does not have direct authority for the review of any enforcement recommendation to be designated to hear appeals to the appropriateness of the government's information request (the so called ''Second Requests''). The bill also sets forth the specific standards that this senior official is to utilize when considering such an appeal and mandates that these appeals be heard in an expedited manner.

In sum, I believe this legislation to be a reasonable and well balanced reform of our government's vital merger review procedures. It will make long overdue adjustments in the filing thresholds—ensuring review of those mergers in most need of governmental scrutiny while reducing the burden and expense on government and private parties by exempting smaller transactions from often expensive and time consuming pre-merger filings. It will also significantly reform the merger review process to ensure that the government has sufficient time to analyze increasing complex merger transactions, while also adding protections so that private parties do not face unduly burdensome or duplicative information request. I urge swift passage of this measure.

Ms. SNOWE. Mr. President, I rise today to express my concerns about the lack of commitment for forward funding for the Low Income Heating Energy Assistance Program for fiscal year 2002. Mr. President, as you know, LIHEAP is a block grant program to

the states to assist needy households with energy assistance. Since FY1999, the program has been funded at $1.1 billion, plus $300 million for weather emergencies. I am pleased to note that, through our efforts, the Labor-HHS Conference Report provides $1.4 billion for FY2001, with a contingency fund of $300 million for emergencies. To my great dismay, however, the $1.4 million provided to help the States budget for next winter—the winter of 2001–2002—was cut from the final package.

We need to face the fact that our nation is budgeting by emergency when it comes to making sure that our low-income citizens, particularly the elderly, can keep warm in the winter. This past year, there were four different releases of the FY2000 emergency funds, most of which were released by mid-February, 2000. Currently, there is only $155,650,000 remaining in the FY2000 emergency funds and I am aware that the White House is coming to a decision soon as to how to dispense these much-needed funds. I have joined many of my colleagues at different times over the past year urging these releases along with the currently needed release.

I have also urged an increase in the regular funding for the States programs, along with forward funding for the next fiscal year so that the States can appropriately budget for each successive year so as to extend the benefits to as many eligible people in need as possible.

Currently, Mr. President, Maine's LIHEAP program has borrowed from the State's ''rainy day fund'' in the hopes that the State would ultimately get paid back. Today is December 15—two and a half months into the fiscal year—and they are still waiting. Because the Legislature had the foresight to lend out this money, the Community Action Agencies were able to get funding to LIHEAP beneficiaries last July so they could buy home heating oil when it was cheaper.

Like last winter, Maine's LIHEAP program is currently receiving an extraordinary amount of applications for help. Anticipating a colder winter and higher prices this winter, the State has budgeted to accommodate more applications—they have already processed over 26,000—but to do this, they have had to reduce the benefit from $488 last year down to $350 currently. They are hearing that, because of the high prices—as high as $1.63 per gallon—the $350 does not allow LIHEAP recipients to fill their oil tank even once as we move into the colder New England winter months ahead.

We have a critical problem facing the country in the upcoming winter months, Mr. President. It is said that misery loves company, and it is my sense that, given the skyrocketing natural gas prices being experienced by all parts of the country, the Northeast will have lots of company this winter as more and more constituents with low incomes, particularly the fixed-income elderly, worry about where the money will come from to pay their heating bills to keep warm. This is a very unhealthy situation.

I have spent this entire year appealing for more LIHEAP funding to protect the most vulnerable members of our society so they will have energy assistance when they need it most. I will continue to do so in the next Congress in the hopes that we will all step up to the plate and not only increase the overall LIHEAP funding but to forward fund the program so the states an be fiscally responsible and accommodate as many people as possible with this vital benefit.

The ongoing problem continues to be one of supply and demand as natural gas and heating oil inventories remain historically low, and the increased costs caused by this imbalance will not right itself in time for the cold winter weather when demand will rise sharply. This situation prices the low-income households right out of the market and they find themselves making ''Solomon choices'' for heating or eating, or by cutting down on necessary and costly prescription drugs.

It is logical that when costs are doubled, those served by the LIHEAP program are decreased by the same amount. And, we should keep in mind that only around 13 percent of households that are eligible for the LIHEAP program actually even receive Federal assistance. Colder weather, higher costs and tighter budgets could have the effect of raising this percentage upward.

Because Maine received over $5.3 million in emergency LIHEAP funds this past winter, my State was able to increase the income limits to serve more eligible residents with their high energy costs. Maine was able to increase the income guidelines to 170 percent of the Federal Poverty Guidelines and assist over 50,400 households with a fuel assistance benefit averaging $488, almost twice last year's $261.

Mr. President, I look forward to working with you on increased long-range funding that will allow the Community Action Agencies in Maine and other States' LIHEAP programs to plan and budget in advance, so that as many energy needs are addressed as possible. I hope my colleagues will join me next year in efforts for increasing funds so that our States can budget for a safety net that can be extended to as many low-income citizens as possible—and to make sure they do not find themselves literally out in the cold.

Mr. KERRY. Mr. President, I rise today in support of provisions in the Consolidated Appropriations bill for fiscal year 2001 that would transfer a Coast Guard lighthouse on Plum Island to the city of Newburyport, Massachusetts and land on Nantucket Island from the Coast Guard Loran station to the town of Nantucket, Massachusetts. I wish to thank the conferees for including these provisions in this bill.

Mr. President, the Plum Island lighthouse is a national treasure. This conveyance ensures that this historic treasure will be preserved and protected for generations to come. This was included at the request of my constituents in the area. The Coast Guard has always been a good friend and neighbor in Massachusetts. I am pleased that this historic landmark will transferred to Newburyport so that it can be preserved and protected for the citizens and visitors of the City to enjoy for years to come.

Mr. President, the town of Nantucket needs a small amount of property from the Coast Guard Loran Station to build a sewage treatment plant. The Coast Guard has been working with local government officials on the Island to find a solution to this problem. Initially the Coast Guard considered leasing this property to Nantucket, however the Coast Guard later determined that a conveyance was the better solution. I applaud the Coast Guard for working with Nantucket to develop this workable solution.

Mr. THOMPSON. Mr. President, I am pleased that today the Senate passed regulatory accounting legislation in the Treasury-Postal title of the Omnibus Appropriations Act, section 624, also known as the Regulatory Right-to-Know Act. I want to thank Chairman TED STEVENS and Senator JOHN BREAUX for helping me pass this important legislation. We have worked together over the last several years to further some basic important goals: to promote the public's right to know about the costs and benefits of regulatory programs; to increase the accountability of government to the people it serves; and ultimately, to improve the quality of our regulatory programs. This legislation will help us assess what regulatory programs cost, what benefits we are getting in return, and what we need to do to improve agency performance.

By any measure, the burdens of Federal regulation are enormous. By some estimates, Federal rules and paperwork cost about $700 billion per year, or $7,000 for the average American household. I hear concerns about unnecessary regulatory burdens and red tape from people all across the country and from all walks of life—small business owners, governors, state legislators, local officials, farmers, corporate leaders, government reformers, school officials, and parents.

There is strong public support for sensible regulations that can help ensure cleaner water, quality products, safer workplaces, reliable economic markets, and the like. But there is substantial evidence that the current regulatory system is missing important opportunities to achieve these goals in a more cost-effective manner. The depth of this problem is not appreciated fully because the costs of regulation are not as apparent as other costs of government, such as taxes, and the benefits of regulation often are diffuse. The bottom line is that the American people deserve better results from

the vast resources and time spent on regulation. We've got to be smarter.

We often debate the costs and benefits of on-budget programs, but we are just breaking ground on creating a system to scrutinize Federal regulation. This legislation will provide better information to help us answer some important questions: How much do regulatory programs cost each year? Are we spending the right amount, particularly compared to on-budget spending and private initiatives? Are we setting sensible priorities among different regulatory programs? As the Office of Management and Budget stated in its first ''Report to Congress on the Costs and Benefits of Federal Regulations'':

[R]egulations (like other instruments of government policy) have enormous potential for both good and harm....The only way we know how to distinguish between the regulations that do good and those that cause harm is through careful assessment and evaluation of their benefits and costs. Such analysis can also often be used to redesign harmful regulations so they produce more good than harm and redesign good regulations so they produce even more net benefits.

This legislation continues the efforts of my precedessors. Senator BILL ROTH proposed a regulatory accounting provision in a broader reform measure that he worked on when he chaired the Governmental Affairs Committee in 1995. In 1996, when TED STEVENS became our chairman, he passed a one-time regulatory accounting amendment on the Omnibus Appropriations Act. After I became the chairman of Governmental Affairs, I supported Senator STEVENS' amendment when it passed again in 1997. In 1998, I sponsored an amendment to strengthen the Stevens provision with the support of Senators LOTT, BREAUX, SHELBY, and ROBB, as well as a bipartisan coalition in the House. This year, I worked with Senators STEVENS and BREAUX to make this legislation permanent.

This legislation continues the requirement that OMB shall report to Congress on the costs and benefits of regulatory programs, which began with the Stevens amendment. This legislation also adds to previous initiatives in several respects. First, it will finally make regulatory accounting a permanent statutory requirement. Regulatory accounting will become a regular exercise to help ensure that regulatory programs are cost-effective, sensible, and fair. The costs and benefits of regulation can become a regular part of the annual debate between the Congress and the executive branch on the Federal budget. Second, this legislation will require OMB to provide a more complete picture of the regulatory system, including the incremental costs and benefits of particular programs and regulations, as well as an analysis of regulatory impacts on State, local, and tribal government, small business, wages, and economic growth. Finally, this legislation will help ensure that OMB will provide better information as time goes on. Requirements for OMB guidelines and independent peer review should continually improve future regulatory accounting reports.

The government has an obligation to think carefully and be accountable for requirements that impose costs on people and limit their freedom. We should pull together to contribute to the success of responsible government programs that the public values, while enhancing the economic security and well-being of our families and communities.

Mr. President, I ask unanimous consent that a copy of the Regulatory Right-to-Know Act be printed in the RECORD.

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

SEC. 624. (a) IN GENERAL.—For calendar year 2002 and each year thereafter, the Director of the Office of Management and Budget shall prepare and submit to Congress, with the budget submitted under section 1105 of title 31, United States Code, an accounting statement and associated report containing—

(1) an estimate of the total annual costs and benefits (including quantifiable and nonquantifiable effects) of Federal rules and paperwork, to the extent feasible—

(A) in the aggregate;

(B) by agency and agency program; and

(C) by major rule;

(2) an analysis of impacts of Federal regulation on State, local, and tribal government, small business, wages, and economic growth; and

(3) recommendations for reform.

(b) NOTICE.—The Director of the Office of Management and Budget shall provide public notice and an opportunity to comment on the statement and report under subsection (a) before the statement and report are submitted to Congress.

(c) GUIDELINES.—To implement this section, the Director of the Office of Management and Budget shall issue guidelines to agencies to standardize—

(1) measures of costs and benefits; and

(2) the format of accounting statements.

(d) PEER REVIEW.—The Director of the Office of Management and Budget shall provide for independent and external peer review of the guidelines and each accounting statement and associated report under this section. Such peer review shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

Mr. KERRY. Mr. President, I rise today in support of a provision in the Consolidated Appropriations bill for fiscal year 2001 that would transfer Coast Guard Station Scituate to the National Oceanic and Atmospheric Administration, NOAA. NOAA will use the facility to serve as the headquarters for the Gerry E. Studds Stellwagen Bank National Marine Sanctuary. Since the mid-90s the Coast Guard has shared the facility with both NOAA and the Massachusetts Environmental Police, MEP. Once the Coast Guard has relocated to a new facility NOAA and the MEP will jointly use the facility to both manage and study the marine sanctuary and to perform cooperative enforcement on the water. I am happy to report that NOAA is teaming with the MEP to share resources and facilities to improve fisheries and sanctuary enforcement. It is my understanding that NOAA will be offering the same working and living spaces to the MEP that have been provided in the past by the U.S. Coast Guard. In addition the MEP will have the same berthing and dock space for their vessels. Furthermore it is my understanding that this agreement between the two agencies will mirror the current U.S. Coast Guard agreement with the MEP with respect to terms and conditions.

The Stellwagen Bank Sanctuary is located at the mouth of Massachusetts Bay. It was first described in the diary of Captain Henry Stellwagen, a hydrographer for the U.S. Navy, as ''an important discovery in the location of a fifteen fathom bank lying in a line between Cape Cod and Cape Ann.'' The wealth of sea life that moved below the surface of Captain Stellwagen's vessel has drawn commercial fishing fleets for centuries. The continued use for maritime commerce, whether shipping, fishing or whale watching excursions, presents a major challenge in the enforcement of sanctuary rules.

Today the sanctuary draws as many as one million visitors a year, many of them whale watchers, intent on experiencing a close encounter with a whale—particularly the gregarious and acrobatic humpback. While its numbers at Stellwagen Bank are relatively strong, the species is nevertheless listed as endangered based on its worldwide numbers. The Endangered Species Act and the Marine Mammal Protection Act have been enacted to help protect this and other species; but the oceans are large and enforcement is difficult. I applaud the cooperation shown by NOAA and the MEP to address this critical issue in the sanctuary. This conveyance of property form the Coast Guard to NOAA will solidify this relationship between the MEP and NOAA and will at the same time provide office space and research facilities for teams of scientists to study one of the true treasures of New England, the Stellwagen Bank National Marine Sanctuary.

Mr. CRAPO. Mr. President, in the final days of the 106th Congress, I wanted to take this opportunity to speak about the issue of debt relief and reform of the International Monetary Fund (IMF) and the World Bank.

A great deal of attention has been paid recently to a complicated issue that has faced Congress—the international lending practices of the World Bank group and the IMF. The complexity increases when you factor in calls for the United States to contribute to efforts to write off debt owed by the world's heavily indebted poor countries (HIPCs).

As vice chairman of the Senate Banking Subcommittee on International Trade and Finance, I have conducted a series of oversight hearings on the functioning of the IMF and World Bank. These hearings have only strengthened my belief that the evidence is clear—we should not grant

debt relief without demanding that the international lending institutions such as the World Bank and IMF change their current practices.

I supported Senate passage of the fiscal year 2001 foreign operations appropriations conference report with much reservation.

The bill collectively provides about $435 million toward debt forgiveness for the HIPCs. Of this money, $210 million comes disguised as ''emergency'' spending.

Regrettably, this all goes without any link between relief and reform. The legislation calls for a couple of reports to Congress and a few policy suggestions that the U.S. ought to urge these institutions to adopt, but it has no teeth to force change. The lending institutions pay no consequences for failing to mend their ways . . . this means the consequences of inaction will be borne by, among others, American taxpayers and people in need.

Essentially, the IMF, World Bank, and other international lending institutions are supposed to improve economies of impoverished countries and the health and well-being of people throughout the world.

In the U.S., we are a compassionate people; we share our bounty with many other countries. But many question the effectiveness of how the World Bank and the IMF perform their missions.

The World Bank and IMF lend money to certain countries to use for various purposes—improving infrastructure needs, feeding and immunizing children, and stabilizing the economy, to name a few. But these noble goals have been stymied by corruption, greed, and poor management. What has developed is sadly lacking in results and in much need of reform.

Some advocates of debt relief have tried to delink the issue of debt relief from the issue of reform. I agree with recent remarks that these lending institutions are at the ''root'' of the debt problem. And if we are to weed out the problem, we must pull it up by its roots. We all know that, if you don't pull up weeds by their roots, they merely sprout up again. This serves nobody's interest—least of all the people currently suffering.

We need transparency, accountability, and effectiveness. We need to know where the money is being spent, who is spending it, and how it is benefiting that country and achieving the goals of the World Bank and the IMF.

A General Accounting Office (GAO) report on the World Bank concluded ''[management] controls are not yet strong enough to provide reasonable assurance that project funds are spent according to the Bank's guidelines.''

Simply put, the World Bank can't tell us with any reasonable level of certainty that funds are being spent efficiently and as they are intended to be spent. Other reports have questioned the IMF's practices.

Senate Banking Committee Chairman PHIL GRAMM spoke eloquently about this issue recently on the Senate floor. I know he talked about the Uganda situation at some length. And keep in mind that Uganda has been used as the ''poster child'' of success. It has qualified for debt relief under the original and enhanced HIPC initiatives.

Let me echo the chairman. In May, I wrote Treasury Secretary Lawrence Summers about the Ugandan Government's multi-million dollar expenditure on a presidential Gulfstream jet. As I noted in my letter, Idahoans and others throughout this country sympathize with the plight facing impoverished Ugandans whose annual per capita income is roughly $330. People throughout the world deserve the chance to succeed and thrive. What troubled me was the Ugandan Government's failure to place a high priority on reducing poverty and choosing to expend millions on a luxury aircraft, then essentially asking for and receiving millions in debt relief.

This situation has deeply troubled me. I was even more troubled by Secretary Summers' reply. Secretary Summers basically said the purchase of the plane was not out of the ordinary and he was satisfied that Uganda didn't take money from poverty relief programs to pay for it. As he stated, ''The Ugandan authorities have committed to offset the cost of the aircraft against defense and other non-priority, non-wage expenditures.'' But to me, money is money; if Uganda can find money in its budget to pay for an extravagant jet, it should be able to find money to help its own people in poverty. I imagine $37 million would go a long way toward helping people in a country where the average per capita income is less than $350 a year.

As I have repeatedly noted, when the U.S. Federal Government helped bail out Chrysler, former chairman Lee Iacocca was required to sell the company jets.

And there is another problem—''moral hazard.'' In simple terms, people must be made to bear the consequences of their decisions. If not, they have less incentive to act prudently. If a country knows the IMF will come in and bail them out after making bad decisions, there is little incentive for the country to change its decisionmaking process. Or, if the country knows it will receive IMF funding, perhaps it uses other monies to prop up companies that should be allowed to fail. The moral hazard problem pervades this system. We might all like someone to step in and alleviate the negative impact of bad decisions we make, but this would not encourage us to act wisely. Furthermore, someone else bears those consequences. In the case of troubled countries and the international lending institutions, it is contributors such as U.S. taxpayers who bear the burden. And, honestly, the citizens of the country in question whose situation fails to improve.

So, while we are and should continue to be a compassionate nation, I also recognize the duty of Congress to set good public policy and represent the interests of hard-working Americans.

Chairman GRAMM and I, along with others, only asked that we adopt a proposal that recognizes all of these goals. This was achievable if everyone had been willing to work together.

Unfortunately, the Treasury Department refused to engage in meaningful dialog and compromise with Congress on this issue.

What is even more amazing is that the Treasury Department fought for this spending when estimates suggest that the maximum amount that would be necessary for the U.S. to fund its obligations to the HIPC Trust for this year and next is less than $100 million.

We should not be granting relief without reform.

I assure you that follow-up will be done during the next Congress to illustrate the continued need for Congress and the next administration to alter current U.S. policies and practices.

I completely agree with an editorial in the October 12 Wall Street Journal which stated that ''Any debt write-off that doesn't include radical reform of the international financial institutions . . . will renew the cycle of non-performance.''

Mrs. MURRAY. Mr. President, I want the RECORD to reflect my strong support for the final appropriations measure that we are completing today.

Since the first day I walked into this distinguished Chamber, I have been fighting to bring the priorities of our budget closer to the priorities of America's families. As I talk to parents and students in my State about what would improve their lives, over and over, I hear that a quality education for our students is a top priority for families across this country.

Today is a victory for families. The Labor-HHS-Education appropriations bill shows this Congress is listening to people across this country. It provides a $6.5 billion increase in education spending. This is a 17 percent increase. It makes an investment in the things that matter—reducing class size, improving teacher quality, and repairing and constructing schools. This bill gives the Congress a benchmark to work with the new President who has made education a personal priority.

I have come to the Senate floor numerous times over the years to ask for an investment in reducing class size. This is something that matters to parents, teachers and students across this country. After a year long battle against efforts to eliminate class size reduction funds, this bill provides $1.62 billion final appropriations bill for the purpose of reducing class size.

By making this investment, we are sending an important message to every community in this Nation. Class size reduction is important because it makes a tangible difference in real-world public schools.

I've talked to teachers in my State about class size reduction. These teachers told me the benefits of smaller

class size. They say that when class sizes are smaller, they see better student achievement, fewer discipline problems, more individual attention, better parent-teacher communication, and dramatic results for poor and minority students.

These are the kinds of things we need in our public schools. Our kids deserve this investment.

In Washington State, the funds included in this bill will provide over $25 million to the State for the purpose of reducing class size. Currently, over 600 teachers have been hired with Federal class size reduction funds across the State to reduce class size. With the funds secured this year, Washington State will be able to hire approximately additional 130 new teachers to reduce class size.

This appropriations agreement also makes an important investment in school construction. Students across this country are going to school in inadequate facilities. The majority of students in this country attend schools that are over 40 years old. These have leaky roofs, inadequate heating and cooling, and are not the type of learning environment that goes hand in hand with expecting our students to achieve high standards. This bill makes an investment in school construction, providing $1.2 billion for this purpose.

In addition, it makes an investment in teacher quality. Our districts need help in the area of teacher quality. The districts need to be able to provide teachers the support they need, and make efforts to reach out and bring more highly qualified people into the teaching profession. This appropriations bill provides a $150 million increase over last year in our investment to improve teacher quality.

This bill provides more than a 30-percent increase for IDEA, the biggest increase in the program history. I'm sure there is not a member of this Senate who has not visited a school district and heard the struggles the district faces in funding special education services. This bill provides $1.35 billion more for IDEA than last year. We should not back down from this commitment to our schools.

The bill provides close to a 50-percent increase for after school programs. The funding is raised from $435 million to $851 million.

There is a much needed investment in child care. There is a 70-percent increase in child care funding, bringing the funding up to $2 billion. With these additional funds, nearly 150,000 children will receive child care subsidies.

An increase of over $1 billion in Head Start: These funds would allow an additional 70,000 children to participate in Head Start.

The bill invests in college opportunities for students. The $450 increase in the Pell Grant Program and the substantial increase for SEOG, LEAP, and Federal work-study will give more families the ability to send their children to college.

While I am extremely disappointed that this Congress failed to finish consideration of the Elementary and Secondary Education Act, I am glad we were able to make a commitment to kids through this appropriations bill. Investing in reducing class size, teacher quality, college affordability, and things to help our young children like Head Start and child care are the kind of investments we need in this country.

While these investments are not quite as high as the ones agreed to in October, I still believe we are moving the right direction in this bill by investing in the things that we know work. Kids, teachers and parents across this country deserve these investments.

And while I have focused my remarks on education, I should note that this bill contains vital investments in many key areas like health care. I am immensely proud of the increased investments we are making in health care research at the National Institutes of Health and the Centers for Disease Control. These investments represent our strong commitment to finding cures to life threatening ailments like breast and prostrate cancer, Parkinson's disease, and multiple sclerosis. This bill funds key health projects in Washington State like Children's Hospital and others.

This bill makes an essential investment in health care with $35 billion for BBRA relief. These improvements are imperative for access to quality health care for people everywhere. I cannot emphasize enough the importance of these changes to hospitals, home health, skilled nursing facilities which serve the elderly. Ensuring this population has high quality health care is high priority, and I commend my colleagues for recognizing this pressing need.

As a member of the Labor-HHS-Education Subcommittee, I urge my colleagues to join in support for this bill.

Mr. INHOFE. Mr. President, I rise today to lodge my objection to H.R. 4577. I understand that there will not be a rollcall vote but if there were to be a rollcall vote I would vote ''no.''

Mr. WELLSTONE. Mr. President I want to voice my strong objection to the process by which this legislation is being passed by the Senate. The Omnibus Appropriations conference report—containing numerous other pieces of unrelated legislation—is being passed by the Senate tonight under a consent agreement that was entered suddenly by the Majority Leader without the normal notification process. We should have had a recorded vote. Since I first came to the Senate 9 years ago I have felt that it does the Senate no credit to pass such significant budgetary legislation—literally hundreds of billions of dollars—without a recorded vote. We cannot be held accountable as Senators to our constituents when such bills are passed in this manner. I want to make it clear; I oppose this legislation and I would like the RECORD to show that I would have voted no had there been a recorded vote.

Mr. L. CHAFEE. Mr. President, today we consider legislation that addresses crucial areas of our Nation's tax and health care policy. I applaud the hard work of appropriators and President Clinton in coming to a hard-won agreement on this year's final spending bill. And, I am pleased that we can finally wrap up the business of the 106th Congress and clear the deck for our new President and the 107th Congress.

This bill includes many of my legislative priorities, which I believe will benefit Rhode Islanders, and all Americans.

First: let's focus on those in the area of health care. The health care portion of this measure includes two legislative proposals I authored, and for which I worked hard to build bipartisan support this year: a version of the State Children's Health Insurance Program Preservation Act, and the Medicaid Disproportionate Share Hospital Preservation Act.

The SCHIP provision allows 40 states—including Rhode Island—to retain for two more years $1.2 billion in children's health insurance funds. In extending the deadline for states to spend these federal dollars, we give eligible children in 40 states the opportunity to receive health insurance. In Rhode Island, our state's low-income health care program—known as RIte Care—may be able to retain as much a $8 million in federal funds. That amount would go a long way to cover uninsured children between the ages of eight and 18 in my home state.

My second priority—The Medicaid Disproportionate Share Hospital Preservation Act—would benefit hospitals that serve a disproportionate share of America's 43 million uninsured. It would increase Medicaid DSH payments to these hospitals to defray their costs of treating Medicaid patients—particularly indigent patients with complex medical needs. In all, it would strengthen the safety net for Rhode Island's hospitals—that are struggling as a result of the budget cuts instituted by the Balanced Budget Act of 1997. Indeed, this proposal could save Rhode Island hospitals $10 million over the next two years.

What's more, the initiative before us increases Medicare reimbursements for teaching hospitals, and scales back deep cuts to the home health care industry. And, it bolsters the ability of nursing homes and community health clinics to provide high quality service to those in need. Together, these provisions will go a long way to improve the health care received by the children, the elderly, and the uninsured of our nation.

Turning to the tax provisions, I am heartened that this bill contains many incentives to rebuild distressed communities, both in urban and rural areas. I've cosponsored legislation to foster urban renewal, and I am pleased that this package contains a version of

it. Specifically, this measure would establish 40 renewal communities and designate 9 new empowerment zones that would be eligible for tax breaks.

I am particularly heartened that this measure increases the low-income housing tax credit caps over the next two years. Along with the Rhode Island Housing Authority, I am an ardent supporter of this increase because it will help many low-income families gain access to affordable housing.

What's more, the initiative we consider today accelerates a scheduled increase in the state volume limits on tax-exempt private activity bonds. This provision has broad, bipartisan support, and I am glad we are moving forward with it.

Finally, many of you know that, as a member of the Environment and Public Works Committee, I have worked to win passage of legislation to spur cleanup of lightly contaminated industrial sites—so-called brownfields sites. This bill contains a brownfields expensing provision that promotes the cleanup of environmental contaminants. This is a modest step in the direction of the wholesale reform I've been pressing, but it is an important step towards that eventual goal.

I am pleased that we have finally reached agreement with our counterparts on the other side of the aisle here in the Senate; with our colleagues in the House of Representatives; and most importantly, with the Clinton administration on this broad spending package.

In that spirit of constructive compromise, I will vote in favor of this bill. I urge my colleagues to do the same. I thank the Chair.

THE CULTURAL PROPERTY PROCEDURAL REFORM ACT

Mr. MOYNIHAN. Mr. President, in 1972, the Senate gave its advice and consent to ratification of the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property, but subject to the passage of implementing legislation by Congress. The implementing legislation—the Convention on Cultural Property Implementation Act (CCPIA)—became law in 1983. I wrote this legislation in the Senate in cooperation with Senators Robert J. Dole and Spark M. Matsunaga. It is technically a revenue measure and came under the jurisdiction of the Senate Finance Committee of which I was then a senior member, later chairman. Earlier I had been Ambassador to India and to the United Nations and was much aware of the issues surrounding cultural property. As Ambassador in Delhi I was responsible for negotiating the return of the Shiva Nataraja. I also was serving at the time as chairman of the board of trustees of the Hirshhorn Museum and Sculpture Garden, and in that capacity I dealt at length with similar issues.

The CCPIA sets forth our national policy concerning the importation of cultural property. As part of the statute, we created the Cultural Property Advisory Committee (CPAC), an 11-member body appointed by the President to advise him concerning foreign government requests that import restrictions be placed on certain archaeological and ethnological material. The statute specified that each member should represent one of four categories: museums (two members), archaeologists/anthropologists (three members), dealers (three members), and the public (three members). There are different interests here, and my purpose was to see that these were represented in any recommendation the CPAC would make. In addition, the CCPIA explicitly states that the CPAC is subject generally to the Federal Advisory Committee Act provisions relating to open meetings, public notice, and public participation in its proceedings. As the last of the authors of the CCPIA remaining in the Senate, it fell to me to keep an eye on its implementation.

Earlier this session I introduced S. 1696, the Cultural Property Procedural Reform Act. Joining me as cosponsors on the bill are Chairman ROTH, and Senators SCHUMER, GRAMM, and BREAUX. Congressman RANGEL introduced companion legislation on the House side. I have pressed this legislation because I feel it provides an essential clarification of the CCPIA.

Unfortunately, time has run out in this session of Congress to pass S. 1696. Although some halting progress has been made by the executive branch in responding to the problems that S. 1696 sought to address, it is clear that the fundamental issues of procedural reform raised by S. 1696 have not been resolved. Therefore, it is imperative that congressional oversight continue in an effort to ensure that the implementation of the Act is faithful to the terms Congress promulgated.

We have seen a number of serious shortcomings in the administration of the CCPIA which led to the introduction of S. 1696. A central concern has been that the procedures of the CPAC remain essentially closed to nonmembers of the committee despite the provisions of the 1983 Act, such as 19 U.S.C. section 2605(h), that generally require open meetings and transparent procedures. I remain concerned that past proceedings before the CPAC and the administering agency have been conducted in almost total secrecy, thus denying interested parties a meaningful opportunity to respond to evidence presented by foreign nations concerning alleged pillage and with respect to the statutory requirements that must be satisfied. The result is that the CPAC is denied a full, unbiased record upon which to make its decisions. A central goal of S. 1696 is to open those proceedings.

The initial step in a CPAC proceeding is the publication of a notice in the Federal Register informing the public of the filing of an application by a foreign government. However, that notice of the request is often so cursory as to effectively deny interested persons an opportunity to contribute meaningfully to CPAC proceedings. An adequate notice should provide descriptive information from the foreign nation about the archaeological or ethnological materials, the pillage of which the requesting country claims is placing its cultural patrimony in jeopardy. This information is particularly important because the 1983 act explicitly authorizes the President to impose import restrictions only on particular archaeological and ethnological materials that are the subject of pillage, which, in turn, is jeopardizing the cultural patrimony of a requesting state.

Any notice of a foreign government's request should, at a minimum, put on the public record the approximate dates during which the cultural material at issue was produced, the approximate dates during which that material is alleged to have been pillaged, the cultural group with respect to which the material is associated (if available), the medium, and representative categories or types of cultural material that the foreign nation asked by barred from import into this country. This information will permit interested parties to prepare themselves to participate in an informed fashion in proceedings before the CPAC.

Requiring the approximate dates of the alleged pillage is essential to carry out the purposes of the statute. Evidence of contemporary pillage is central to the goals of the 1983 act, which is based on the concept that a U.S. import restriction is justified only if it will have a meaningful effect on an ongoing situation of pillage. It is quite obvious that an import restriction in the year 2000 cannot deter pillage that took place decades or even centuries ago. Thus, the approximate dates of the pillage, which a fair notice would provide, is imperative to ensure that the administrative process is faithful to the goals of the CCPIA.

A second concern that led to the introduction of S. 1696 was the absence of meaningful art dealer participation in the proceedings of the CPAC. This year, in fact, art dealers have not been represented at all on the CPAC—all three dealer slots have been and continue to be vacant. This state of affairs is inconsistent with the CCPIA, which established an elaborate process to ensure that the views of archaeologists, art dealers, museums, and the public were taken fully into account when a foreign government asked us to prohibit the importation of archaeological and ethnological materials.

It is reported that the White House is now moving forward to fill all these are dealer vacancies and perhaps the introduction of S. 1696 helped move that process along. To ensure that in the future all interested constituencies are represented on the CPAC, it would be desirable to modify the CPAC quorum provisions to require the presence of at least one member from each statutory category. Moreover, the language describing the CPAC members should be

made consistent across all four categories and consistent with Senate report language stating that the members are to be ''knowledgeable representatives of the private sector.''

Further, discussions on the bill have revealed that the process whereby the Executive Branch reports to the Congress on its actions under the 1983 act needs to be strengthened. Under current law, the CPAC and the State Department are to provide copies of their reports to Congress. These reports have not been transmitted to the Senate Finance Committee, the committee of jurisdiction in the Senate. Significantly, consultations have not occurred routinely on these matters since the original statute was enacted in 1983.

To implement the goals of the 1983 Act for open proceedings, the reporting requirements in the CCPIA should be made more consistent with the traditional consultation and layover provisions used by Congress to ensure adequate consultation. Thus, reports of the CPAC and State Department action should be sent to appropriate jurisdictional committees with a traditional layover period to permit consultation, as appropriate, between Congress and the executive branch. Consultation provisions can be developed that will not impair the executive branch's ability to proceed with import restrictions, after there is an opportunity for consultation with Congress. Such consultation would help ensure that executive branch procedures and actions do not stray from Congress' intent in passing the 1983 act, and would thus help allay concerns of interested persons that the statutory criteria are not being met.

One concern that I have heard repeatedly is that the CPAC and the agencies to which it reports have simply disregarded the multinational response requirement in recent actions imposing far-reaching restrictions on cultural property. Central to our intention in drafting the CCPIA was the principle that the United States will act to bar the import of particular antiquities, but only as part of a concerted international response to a specific, severe problem of pillage. The rationale for this requirement is that one cannot effectively deter a serious situation of pillage of cultural properties if the United States unilaterally closes its borders to the import of those properties, and they find their way to markets in London, Munich, Tokyo, or other art importing centers. Congress intended that the multinational response requirement be taken seriously—indeed its inclusion ensured the passage of the 1983 Act. I am concerned that the executive branch may not be giving serious weight to this requirement.

I am distressed that the procedural changes proposed in S. 1696 cannot be made in this Congress. A fair administration of the 1983 act is vitally important to our citizens and our cultural life. The United States has long encouraged free trade in artistic and cultural objects which has helped create a museum community in our Nation that has no equal. That policy of free interchange of cultural objects was narrowly modified in the 1983 act to respond to specific, severe problems of pillage. A diversion from this posture, which the current administration of the law suggests, can deny the American public the opportunity to view, study, and appreciate cultural antiquities that reflect the multicultural heritage that is the essence of our nation.

I trust, and urge, that the next Congress will address these issues vigorously.

THE COMMODITY FUTURES MODERNIZATION ACT OF 2000

Mr. FITZGERALD. Mr. President, I rise in support of the Commodity Futures Modernization Act of 2000 (''CFMA''), the proposed legislation to reauthorize the Commodity Futures Trading Commission (''CFTC'') and to amend the Commodity Exchange Act (''CEA''). This legislation is the Senate companion of H.R. 5660, which Congressman THOMAS EWING introduced yesterday in the House of Representatives and which is part of the final appropriations measure. As an original co-sponsor of the CFMA, I am proud to join Chairmen GRAMM and LUGAR in supporting legislation to provide much needed regulatory relief to the United States futures exchanges, to remove the eighteen-year-old ban on single stock futures, and to bring legal certainty in the multi-trillion dollar derivatives markets.

The CFMA gives a substantial boost to Chicago's futures industry and the 200,000 jobs that depend on it. The Chicago futures exchanges will be given an opportunity to compete on a level playing field with the world markets. Burdensome federal regulations will be removed and a new regulatory structure will be implemented that will give our nation's most important futures exchanges the ability to compete equally with world markets in product innovation and the ever-changing demands of the marketplace. Chicago's exchanges will now have the opportunity to offer single stock futures so that they can compete with global markets already trading those types of futures. This is potentially an enormous market for Chicago's exchanges and U.S. investors. It goes without saying that this market is absolutely necessary for Chicago to remain the center for world futures trading.

I commend Chairman LUGAR on his efforts to act swiftly to modernize the CEA and to implement the recommendations of the President's Working Group on Financial Markets (''PWG''). The challenges involved in such an undertaking are enormous and I appreciate Chairman LUGAR's thoughtful and comprehensive approach to this complex task. As Chairman of the Subcommittee on Research, Nutrition, and General Legislation, I have been actively involved in the evolution of the CFMA and am committed to working closely with Chairman LUGAR, Chairman GRAMM, and my other colleagues to ensure that the United States derivatives markets remain strong, competitive, and viable. The CFMA codifies the recommendations of the PWG to enhance legal certainty for over-the-counter (''OTC'') derivatives by excluding from the CEA certain bilateral swaps entered into on a principal-to-principal basis by eligible participants. The market for OTC derivatives has exploded over the past two decades into a multi-trillion dollar industry. These large and sophisticated markets play an important role in the global economy and legal certainty is a critical consideration for parties to OTC derivative contracts. Accordingly, the CFMA recognizes that legal certainty for OTC derivatives is vital to the continued competitiveness of the United States markets and achieves this certainty by excluding these transactions from the CEA.

The provisions of the CFMA also address the problem that federal regulation has not adapted to the rapid growth of the financial markets and today serves as a substantial restriction on market competitiveness and modernization. In order for the United States to maintain the most efficient markets in the world, regulatory barriers to fair competition must be removed. The CFMA reduces the inefficiencies of the CEA by removing constraints on innovation and competitiveness and by transforming the CFTC into an oversight agency with less front-line regulatory functions. The provisions for three kinds of trading facilities with varying levels of regulation provide needed flexibility to both traditional exchanges and electronic trading facilities by basing oversight of the futures markets on the types of products they trade and on the investors they serve.

Finally, the CFMA removes the Accord's prohibitions on the trading of single stock futures and small indices. Stock index futures have matured into vital financial management tools that enable a wide variety of investment concerns to manage their risk of adverse price movements. The options markets and swaps dealers offer customers risk management tools and investment alternatives involving both sector indexes and single stock derivatives. It seems only fair that futures exchanges be allowed to compete in this important market.

The CFMA lifts the ban on single and index stock futures restrictions to allow the marketplace to decide whether these instruments would be useful risk management tools and to enhance the ability of the U.S. financial markets to compete in the global marketplace. The bill reforms the Accord to allow both futures and securities exchanges to trade these products under the jurisdiction of their current regulators. The CFMA also allows both the